

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and only by persons permitted to sell these securities.

PROSPECTUS



Evolve ETFs

Initial Public Offering and Continuous Offering

April 15, 2019

This prospectus qualifies the distribution of Canadian dollar denominated units (“Units”) of the following actively managed exchange traded mutual fund which is established under the laws of the province of Ontario:

Evolve U.S. Marijuana ETF (“Evolve ETF” or “USMJ”)

The investment objective of USMJ is to seek to provide holders of Units with long-term capital appreciation by actively investing in a diversified mix of equity securities of public issuers that are involved in the U.S. marijuana industry where state and local laws regulate and permit such activities. See “Investment Objectives” for further information.

Evolve Funds Group Inc. (the “**Manager**”), a registered investment fund manager and portfolio manager, will act as promoter, manager, trustee and portfolio manager of the Evolve ETF and is responsible for the administration of the Evolve ETF.

Listing of Units

The Evolve ETF issues Units on a continuous basis and there is no maximum number of Units that may be issued. The Units have been conditionally approved for listing on the NEO Exchange Inc. (the “**NEO Exchange**”). Subject to satisfying the NEO Exchange’s original listing requirements, the Units will be listed on the NEO Exchange and investors will be able to buy or sell such Units on the NEO Exchange through registered brokers and dealers in the province or territory where the investor resides.

Investors may incur customary brokerage commissions in buying or selling Units. No fees are paid by investors to the Manager or the Evolve ETF in connection with buying or selling of Units on the NEO Exchange. Unitholders may also redeem Units for cash at a redemption price per Unit equal to 95% of the closing price of the Units on the NEO Exchange on the effective day of redemption, subject to a maximum redemption price per Unit equal to the net asset value per Unit on the effective day of redemption, or exchange a Prescribed Number of Units (as defined herein) (or an integral multiple thereof) for Baskets of Securities (as defined herein) and cash or, in certain circumstances, for cash. See “Exchange and Redemption of Units – Redemption of Units of the Evolve ETF for Cash” and “Exchange and Redemption of Units – Exchange of Units of the Evolve ETF at Net Asset Value per Unit for Baskets of Securities and/or Cash” for further information.

The Evolve ETF will issue Units directly to the Designated Broker (as defined herein) and Dealers (as defined herein).

Eligibility for Investment

Provided that the Evolve ETF qualifies as a “mutual fund trust” within the meaning of the Tax Act (as defined herein), or that the Units are listed on a “designated stock exchange” (which includes the NEO Exchange) within the meaning of the Tax Act, the Units, if issued on the date hereof, would be on such date qualified investments under the Tax Act for a trust governed by a registered retirement savings plan, a registered retirement income fund, a registered disability savings plan, a deferred profit sharing plan, a registered education savings plan or a tax-free savings account.

Additional Considerations

No designated broker or dealer has been involved in the preparation of this prospectus or has performed any review of the contents of this prospectus and as such, the Designated Broker and Dealers do not perform many of the usual underwriting activities in connection with the distribution by the Evolve ETF of its Units under this prospectus.

For a discussion of the risks associated with an investment in Units, see “Risk Factors”.

Registration of interests in, and transfer of, the Units will be made only through CDS Clearing and Depository Services Inc. Beneficial owners will not have the right to receive physical certificates evidencing their ownership.

Documents Incorporated by Reference

Additional information about the Evolve ETF is or will be available in the most recently filed annual financial statements, any interim financial statements filed after those annual financial statements, the most recently filed annual management report of fund performance (“MRFP”), any interim MRFP filed after the annual MRFP for the Evolve ETF, and the most recently filed ETF Facts (as defined herein) for the Evolve ETF. These documents are incorporated by reference into, and legally form an integral part of, this prospectus. See “Documents Incorporated by Reference” for further details.

The Evolve ETF is expected to invest in, and indirectly derive a portion of its revenues from, the cannabis industry in certain U.S. states that have legalized cannabis for therapeutic or adult-use, which is currently illegal under U.S. federal law. The Evolve ETF will directly or indirectly invest in companies involved in the cannabis industry in the U.S. where local state law regulates and permits such activities. The Evolve ETF will not be directly engaged in the manufacture, importation, possession, use, sale or distribution of cannabis.

A majority of U.S. states have enacted legislation to regulate the sale and use of medical cannabis. Certain of these states have imposed strict limits on tetrahydrocannabinol (“THC”) content, while other states have not. Notwithstanding the regulation of medical cannabis at the state level, cannabis continues to be categorized as a controlled substance under the Controlled Substances Act (the “CSA”) in the U.S. and as such, it is illegal under federal law. As a result of the conflicting views between state legislatures and the U.S. federal government regarding cannabis, cannabis businesses in the U.S. are subject to inconsistent legislation, regulation and enforcement. Unless and until the CSA is amended with respect to cannabis, there is a risk that U.S. federal authorities may enforce current federal law, including the CSA, which may adversely affect the current and future investments of the Evolve ETF. As a result, there are a number of risks associated with the Evolve ETF’s future investments, and such investments may become the subject of heightened scrutiny by regulators, stock exchanges and other authorities in Canada. As a result, the Evolve ETF may be subject to significant direct and indirect interaction with public officials. There can be no assurance that this heightened scrutiny will not in turn lead to the imposition of certain restrictions on the Evolve ETF’s ability to invest in the U.S. or any other jurisdiction.

On January 4, 2018, the Cole Memorandum was rescinded by former Attorney General Sessions. While this did not create a change in federal law, the revocation added to the uncertainty of U.S. federal enforcement of the CSA in states where medical cannabis use is regulated. Former Attorney General Sessions also issued a one-page memorandum known as the “Sessions Memorandum” which confirmed the rescission of the Cole Memorandum and explained that the Cole Memorandum was “unnecessary” due to existing general enforcement guidance as set forth in the U.S. Attorney’s Manual. While the Sessions Memorandum does emphasize that cannabis is a Schedule I controlled substance under the CSA, and states the statutory view that it is a “dangerous drug and that marijuana activity is a serious crime,” it does not otherwise indicate that the prosecution of cannabis-related offenses is a Department of Justice priority. Furthermore, the Sessions Memorandum explicitly describes itself as a guide to prosecutorial discretion, which remains in the hands of U.S. Attorneys when deciding whether or not to prosecute marijuana-related offenses.

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GLOSSARY

Unless otherwise indicated, the references to dollar amounts in this prospectus are to Canadian dollars and all references to times in this prospectus are to Toronto time.

ADRs – means American Depositary Receipts.

Basket of Securities – means a group of securities and/or assets determined by the Manager from time to time representing the constituents of the portfolio of the Evolve ETF.

Canadian Securities Legislation – means the securities legislation in force in each province and territory of Canada, all regulations, rules, orders and policies made thereunder and all multilateral and national instruments adopted by the Securities Regulatory Authorities, as the same may be amended, restated or replaced from time to time.

Capital Gains Refund – has the meaning ascribed thereto under “Income Tax Considerations – Taxation of the Evolve ETF”.

CDS – means CDS Clearing and Depository Services Inc.

CDS Participant – means a registered dealer or other financial institution that is a participant in CDS and that holds Units on behalf of beneficial owners of Units.

Counterparty – has the meaning ascribed thereto under “Risk Factors – Securities Lending”.

CRA – means the Canada Revenue Agency.

CRS Legislation – has the meaning ascribed thereto under “Unitholder Matters – International Information Reporting”.

Custodian – means CIBC Mellon Trust Company or its successor, in its capacity as custodian of the Evolve ETF pursuant to the Custodian Agreement.

Custodian Agreement – means the master custodian agreement dated July 24, 2017, between the Manager, in its capacity as manager of the Evolve ETF, and the Custodian, supplemented, amended, and/or amended and restated from time to time.

Dealer – means a registered dealer (that may or may not be the Designated Broker) that has entered into a continuous distribution dealer agreement with the Manager, on behalf of the Evolve ETF, and that subscribes for and purchases Units from the Evolve ETF.

Declaration of Trust – means the master declaration of trust establishing the Evolve ETF dated April 15, 2019, as the same may be amended, restated or replaced from time to time.

Derivatives – means instruments that derive their value from the market price, value or level of an underlying security, commodity, economic indicator, index or financial instrument and which may include options, futures contracts, forward contracts, swaps or debt-like securities.

Designated Broker – means a registered dealer that has entered into a designated broker agreement with the Manager, on behalf of the Evolve ETF, pursuant to which the Designated Broker agrees to perform certain duties in relation to the Evolve ETF.

DFA Rules – has the meaning ascribed thereto under “Risk Factors – Taxation of the Evolve ETF”.

Distribution Record Date – means a date determined by the Manager as a record date for the determination of the Unitholders entitled to receive a distribution.

DPSP – means a deferred profit sharing plan within the meaning of the Tax Act.

EFG – means Evolve Funds Group Inc., the promoter, manager, trustee and portfolio manager of the Evolve ETF.

ETF Facts – means ETF Facts prescribed by Canadian Securities Legislation in respect of an exchange traded fund, which summarizes certain features of the exchange traded fund and which is publicly available at www.sedar.com and provided or made available to registered dealers for delivery to purchasers of securities of an exchange traded fund.

Evolve ETF – means the exchange traded fund listed on the cover page of this prospectus, an investment trust established under the laws of Ontario pursuant to the Declaration of Trust.

Fund Administrator – means CIBC Mellon Global Securities Services Company or its successor, in its capacity as fund administrator of the Evolve ETF pursuant to the Custodian Agreement.

GST/HST – means taxes exigible under Part IX of the *Excise Tax Act* (Canada) and the regulations made thereunder.

Holder – has the meaning ascribed thereto under “Income Tax Considerations”.

Interested Parties – has the meaning ascribed thereto under “Organization and Management Details of the Evolve ETF – Conflicts of Interest”.

IRC or Independent Review Committee – means the independent review committee of the Evolve ETF established under NI 81-107.

Lending Agent – means Canadian Imperial Bank of Commerce, in its capacity as lending agent pursuant to the Securities Lending Agreement.

Manager – has the meaning ascribed thereto on the cover page.

Management Fee – has the meaning ascribed thereto under “Fees and Expenses – Fees and Expenses Payable by the Evolve ETF – Management Fees”.

Management Fee Distributions – has the meaning ascribed thereto under “Fees and Expenses – Fees and Expenses Payable by the Evolve ETF – Management Fees”.

Minimum Distribution Requirements – has the meaning ascribed thereto under “Income Tax Considerations – Status of the Evolve ETF”.

MRFP – has the meaning ascribed thereto on the cover page.

NAV and NAV per Unit – means the net asset value of the Evolve ETF and the net asset value per Unit, calculated by the Fund Administrator as described under “Calculation of Net Asset Value”.

NEO Exchange – means NEO Exchange Inc.

NI 81-102 – means National Instrument 81-102 – *Investment Funds*, as the same may be amended, restated or replaced from time to time.

NI 81-106 – means National Instrument 81-106 – *Investment Fund Continuous Disclosure*, as the same may be amended, restated or replaced from time to time.

NI 81-107 – means National Instrument 81-107 – *Independent Review Committee for Investment Funds*, as the same may be amended, restated or replaced from time to time.

Non-Portfolio Income – has the meaning ascribed thereto under “Income Tax Considerations – Taxation of the Evolve ETF”.

NP 11-203 – means National Policy 11-203 – *Process for Exemptive Relief Applications in Multiple Jurisdictions* as the same may be amended, restated or replaced from time to time.

Permitted Mergers – has the meaning ascribed thereto under “Unitholder Matters – Permitted Mergers”.

Plans – has the meaning ascribed thereto under “Income Tax Considerations – Status of the Evolve ETF”.

PNU or Prescribed Number of Units – means the number of Units determined by the Manager from time to time for the purpose of subscription orders, exchanges, redemptions or for other purposes.

RDSP – means a registered disability savings plan within the meaning of the Tax Act.

Registrar and Transfer Agent – means TSX Trust Company or its successor, in its capacity as transfer agent of the Evolve ETF.

RESP – means a registered education savings plan within the meaning of the Tax Act.

RRIF – means a registered retirement income fund within the meaning of the Tax Act.

RRSP – means a registered retirement savings plan within the meaning of the Tax Act.

Securities Lending Agreement – has the meaning ascribed thereto under “Organization and Management Details of the Evolve ETF – Securities Lending Agent”.

Securities Regulatory Authorities – means the securities commission or similar regulatory authority in each province and territory of Canada that is responsible for administering the Canadian Securities Legislation in force in such province or territory.

SIFT Rules – has the meaning ascribed thereto under “Risk Factors – Taxation of the Evolve ETF”.

Substituted Property – has the meaning ascribed thereto under “Income Tax Considerations – Taxation of the Evolve ETF”.

Tax Act – means the *Income Tax Act* (Canada) and the regulations thereunder, as amended from time to time.

Tax Amendment – means a proposed amendment to the Tax Act publicly announced by the Minister of Finance (Canada) prior to the date hereof.

Tax Treaties – has the meaning ascribed thereto under “Risk Factors – Taxation of the Evolve ETF”.

taxable capital gain – has the meaning ascribed thereto under “Income Tax Considerations – Taxation of Holders”.

TFSA – means a tax-free savings account within the meaning of the Tax Act.

Trading Day – means, unless otherwise agreed by the Manager, a day on which: (i) a regular session of the NEO Exchange is held and (ii) the primary market or exchange for the majority of securities held by the Evolve ETF is open for trading.

Trustee – means EFG, in its capacity as trustee of the Evolve ETF pursuant to the Declaration of Trust, or its successor.

Unit – means a redeemable, transferable unit of the Evolve ETF, which represents an equal, undivided interest in the net assets of the Evolve ETF.

Unitholder – means a holder of Units.

Valuation Date – means each Trading Day or any other day designated by the Manager on which the NAV and NAV per Unit of the Evolve ETF is calculated.

Valuation Time – means 4:00 p.m. (Toronto time) on a Valuation Date or such other time that the Manager deems appropriate on each Valuation Date.

PROSPECTUS SUMMARY

The following is a summary of the principal features of this distribution and should be read together with the more detailed information, financial data and financial statements contained elsewhere in this prospectus or incorporated by reference in this prospectus.

- Issuer:** Evolve U.S. Marijuana ETF (the “**Evolve ETF**” or “**USMJ**”)
- The Evolve ETF is offering Canadian dollar denominated units (“**Units**”).
- The Evolve ETF is an actively managed exchange traded mutual fund established under the laws of the Province of Ontario. Evolve Funds Group Inc. (“**EFG**”) is the promoter, manager, trustee and portfolio manager of the Evolve ETF and is responsible for the administration of the Evolve ETF.
- Continuous Distribution:** The Evolve ETF issues Units on a continuous basis and there is no maximum number of Units that may be issued. The Units have been conditionally approved for listing on the NEO Exchange Inc. (the “**NEO Exchange**”). Subject to satisfying the NEO Exchange’s original listing requirements, the Units will be listed on the NEO Exchange and investors will be able to buy or sell such Units on the NEO Exchange through registered brokers and dealers in the province or territory where the investor resides. Investors may incur customary brokerage commissions in buying or selling Units. No fees are paid by investors to the Manager or the Evolve ETF in connection with the buying or selling of Units on the NEO Exchange. Investors may trade Units in the same way as other securities listed on the NEO Exchange, including by using market orders and limit orders.
- See “Purchases of Units – Continuous Distribution”.
- Investment Objectives:** The investment objective of USMJ is to seek to provide holders of Units with long-term capital appreciation by actively investing in a diversified mix of equity securities of issuers that are involved in the U.S. marijuana industry where state and local laws regulate and permit such activities. See “Investment Objectives”.
- Specific Investment Strategies:** The investment strategy of the Evolve ETF is to invest in and hold a portfolio of securities selected by the Manager in order to achieve its investment objectives.
- USMJ may invest in equity securities of companies listed domestically and globally, and other companies, with business activities in the U.S. recreational and/or medical marijuana industry. Generally, these securities, which could include ADRs, are publicly listed in domestic and/or international markets and are issued by issuers with business activities in the U.S. marijuana industry or that are engaged in research and development and other ancillary businesses to the U.S. marijuana industry where state and local laws regulate and permit such activities.

**General
Investment
Strategies:**

The Evolve ETF will invest in its own actively managed portfolio comprised of various securities and instruments which may include, but are not limited to, equity and equity related securities. Equity related securities held by the Evolve ETF may include, but are not limited to, convertible debt, income trust units, single issuer equity options, preferred shares and warrants. If market conditions require, in order to preserve capital, the Evolve ETF may seek to invest a substantial portion of its assets in cash and cash equivalents.

Investment in other Investment Funds

In accordance with applicable securities legislation, as part of its investment strategy and as an alternative to or in conjunction with investing in and holding securities directly, the Evolve ETF may invest in one or more other investment funds or exchange traded funds listed on a stock exchange in Canada or the United States. In such case, there shall be no management fees or incentive fees that are payable by the Evolve ETF that, to a reasonable person, would duplicate a fee payable by the underlying exchange traded fund for the same service.

Use of Derivatives and Currency Hedging

The Evolve ETF may enter into one or more currency forward agreements that seek to hedge the currency risk associated with such an investment. At the discretion of the Manager, the Evolve ETF may choose to enter into currency forward agreements to hedge all or a portion of the value of the Evolve ETF's non-Canadian currency exposure back to the Canadian dollar. All such currency forward agreements will be entered into in compliance with NI 81-102 with financial institutions that have a "designated rating" as defined in NI 81-102. Hedging currency exposure to reduce the impact of fluctuations in exchange rates is intended to reduce the direct exposure to foreign currency risk for Unitholders.

Any use of Derivatives by the Evolve ETF will be in compliance with NI 81-102 and other applicable derivatives legislation and will be consistent with the investment objective and investment strategies of the Evolve ETF.

Securities Lending

The Evolve ETF may enter into securities lending, repurchase and reverse repurchase transactions in compliance with NI 81-102 in order to earn additional income for the Evolve ETF.

See "Investment Strategies".

**Special
Considerations for
Purchasers:**

The Manager, on behalf of the Evolve ETF, has obtained exemptive relief to permit Unitholders to acquire more than 20% of the Units through purchases on the NEO Exchange without regard to the takeover bid requirements of applicable Canadian Securities Legislation.

The provisions of the so-called "early warning" requirements set out in Canadian securities legislation do not apply in connection with the acquisition of Units of the Evolve ETF.

See "Attributes of the Securities – Description of the Securities Distributed".

Risk Factors:

There are certain general risk factors inherent in an investment in the Evolve ETF, including:

- (a) General Risks of Investments;
- (b) Asset Class Risk;
- (c) Issuer Risk;
- (d) Illiquid Securities;
- (e) Reliance on Key Personnel;
- (f) General Risks of Equity Investments;
- (g) Trading Price of Units;

- (h) Fluctuations in NAV and NAV per Unit;
- (i) Country Risk;
- (j) Small and Micro Capitalization Risk;
- (k) Small Exchange Risk;
- (l) Marijuana Sector Risk;
- (m) Specific risks associated with the marijuana industry in the U.S.;
- (n) risk that marijuana laws may be subject to change;
- (o) U.S. anti-money laundering laws and regulations risk;
- (p) Investments in the U.S. may be subject to heightened scrutiny;
- (q) U.S. border officials could deny entry into the U.S.;
- (r) Private Issuer Risk;
- (s) Hedging Risk;
- (t) Cease Trading of Securities Risk;
- (u) Concentration Risk;
- (v) Exchange Rate Risk;
- (w) Exchange Traded Funds Risk;
- (x) Securities Lending;
- (y) Use of Derivatives;
- (z) Changes in Legislation;
- (aa) Taxation of the Evolve ETF;
- (bb) Lack of Operating History; and
- (cc) Cease Trading of Units;

See “Risk Factors”.

Income Tax Considerations:

A Unitholder who is resident in Canada will generally be required to include, in computing income for a taxation year, the amount of income (including any net realized taxable capital gains) that is paid or becomes payable to the Unitholder by the Evolve ETF in that year (including such income that is paid in Units or reinvested in additional Units).

A Unitholder who disposes of a Unit that is held as capital property, including on a redemption or otherwise, will generally realize a capital gain (or capital loss) to the extent that the proceeds of disposition (other than any amount payable by the Evolve ETF which represents capital gains allocated and designated to the redeeming Unitholder), net of costs of disposition, exceed (or are less than) the adjusted cost base of that Unit.

Each investor should satisfy himself or herself as to the federal and provincial tax consequences of an investment in Units by obtaining advice from his or her tax advisor.

See “Income Tax Considerations”.

Exchanges and Redemptions:

In addition to the ability to sell Units on the NEO Exchange, Unitholders may also (i) redeem Units for cash at a redemption price per Unit equal to 95% of the closing price of the Units on the NEO Exchange 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, less any applicable administrative fee determined by the Manager, in its sole discretion, from time to time, or (ii) exchange a PNU (or an integral multiple thereof) for Baskets of Securities and cash or, in certain circumstances, for cash.

See “Exchange and Redemption of Units – Redemption of Units of the Evolve ETF for Cash” and “Exchange and Redemption of Units – Exchange of Units of the Evolve ETF at Net Asset Value per Unit for Baskets of Securities and/or Cash” for further information.

Distributions:

Cash distributions of income, if any, on Units will be paid monthly.

The Evolve ETF will not have a fixed distribution amount. The amount of distributions, if any, will be based on the Manager’s assessment of anticipated cash flow and anticipated expenses of the Evolve ETF from time to time. The date of any cash distribution of the Evolve ETF will be announced in advance by issuance of a press release. The Manager

may, in its complete discretion, change the frequency of these distributions and any such change will be announced by issuance of a press release.

Depending on the underlying investments of the Evolve ETF, distributions on Units may consist of ordinary income, including foreign source income sourced from foreign dividends, distributions or interest received by the Evolve ETF and dividends from taxable Canadian corporations but may also include net realized capital gains, in any case, less the expenses of the Evolve ETF and may include returns of capital. To the extent that the expenses of the Evolve ETF exceed the income generated by the Evolve ETF in any applicable distribution period, it is not expected that a distribution for that period will be paid.

In addition, the Evolve ETF may from time to time pay additional distributions on its Units, including without restriction in connection with returns of capital. The tax treatment to Unitholders of distributions is discussed under the heading “Income Tax Considerations”.

See “Distribution Policy”.

**Distribution
Reinvestment Plan:**

The Evolve ETF may provide Unitholders with the opportunity to reinvest cash distributions in additional Units through participation in a distribution reinvestment plan.

See “Distribution Policy – Distribution Reinvestment Plan”.

Termination:

The Evolve ETF does not have a fixed termination date but may be terminated at the discretion of the Manager in accordance with the terms of the Declaration of Trust. See “Termination of the Evolve ETF”.

**Eligibility for
Investment:**

Provided that the Evolve ETF qualifies as a “mutual fund trust” within the meaning of the Tax Act, or the Units are listed on a “designated stock exchange” (which includes the NEO Exchange) within the meaning of the Tax Act, Units, if issued on the date hereof, would be on such date qualified investments under the Tax Act for a trust governed by an RRSP, a RRIF, an RDSP, a DPSP, an RESP or a TFSA.

See “Income Tax Considerations – Taxation of Registered Plans”.

**Documents
Incorporated by
Reference:**

Additional information about the Evolve ETF is or will be available in the most recently filed annual financial statements, any interim financial statements filed after those annual financial statements, the most recently filed annual management report of fund performance (“MRFP”), any interim MRFP filed after the annual MRFP for the Evolve ETF, and the most recently filed ETF Facts for the Evolve ETF. These documents are incorporated by reference into, and legally form an integral part of, this prospectus. These documents are publicly available on the Manager’s website at www.evolveetfs.com and may be obtained upon request, at no cost, by calling (416)-214-4884 or toll-free at 1-844-370-4884, by sending an email request to info@evolveetfs.com or by contacting a registered dealer. These documents and other information about the Evolve ETF are also publicly available at www.sedar.com.

See “Documents Incorporated by Reference”.

Organization and Management of the Evolve ETF

- Manager, Trustee and Portfolio Manager:** In its capacity as manager, EFG will be responsible for the administration and operations of the Evolve ETF. In its capacity as trustee, EFG will hold title to the assets of the Evolve ETF in trust for the Unitholders.
- The principal office of the Evolve ETF and EFG is located at 161 Bay Street, Suite 2700, Toronto, ON M5J 2S1.
- See “Organization and Management Details of the Evolve ETF – Manager” and “Organization and Management Details of the Evolve ETF – Trustee”.
- Promoter:** EFG has taken the initiative of founding and organizing the Evolve ETF and is, accordingly, the promoter of the Evolve ETF within the meaning of securities legislation of certain provinces and territories of Canada.
- See “Organization and Management Details of the Evolve ETF – Promoter”.
- Custodian:** CIBC Mellon Trust Company, at its principal office in Toronto, Ontario, is the Custodian of the assets of the Evolve ETF and holds those assets in safekeeping. The Custodian is entitled to receive fees from the Manager as described under “Fees and Expenses” and to be reimbursed for all expenses and liabilities that are properly incurred by the Custodian in connection with the activities of the Evolve ETF.
- See “Organization and Management Details of the Evolve ETF – Custodian”.
- Fund Administrator:** CIBC Mellon Global Securities Services Company, at its principal office in Toronto, Ontario, is the Fund Administrator. The Fund Administrator is responsible for certain aspects of the day-to-day administration of the Evolve ETF, including NAV calculations, calculating net income and net realized capital gains of the Evolve ETF and maintaining books and records with respect to the Evolve ETF.
- See “Organization and Management Details of the Evolve ETF – Fund Administrator”.
- Registrar and Transfer Agent:** TSX Trust Company, at its principal office in Toronto, Ontario, is the registrar and transfer agent for the Units and maintains the register of registered Unitholders. The register of the Evolve ETF is kept in Toronto, Ontario.
- See “Organization and Management Details of the Evolve ETF – Transfer Agent and Registrar”.
- Securities Lending Agent:** Canadian Imperial Bank of Commerce, at its principal office in Toronto, Ontario, may act as the securities lending agent for the Evolve ETF pursuant to a securities lending authorization agreement.
- See “Organization and Management Details of the Evolve ETF – Securities Lending Agent”.
- Auditors:** Ernst & Young LLP, at its principal offices in Toronto, Ontario, are the auditors of the Evolve ETF. The auditors will audit the Evolve ETF’s annual financial statements and provide an opinion as to whether they present fairly the Evolve ETF’s financial position, financial performance and cash flows in accordance with International Financial Reporting Standards. The auditors are independent with respect to the Evolve ETF within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario.
- See “Organization and Management Details of the Evolve ETF – Auditors”.

Summary of Fees and Expenses

The following table lists the fees and expenses that an investor may have to pay if the investor invests in the Evolve ETF. An investor may have to pay some of these fees and expenses directly. The Evolve ETF may have to pay some

of these fees and expenses, which will therefore reduce the value of an investment in the Evolve ETF. See “Fees and Expenses”.

Fees and Expenses Payable by the Evolve ETF

Type of Fee	Amount and Description
Management Fee:	<p>The Evolve ETF will pay an annual management fee (the “Management Fee”) to the Manager for acting as trustee, manager and portfolio manager of the Evolve ETF equal to 0.75% of the NAV of the Evolve ETF, calculated daily and payable monthly in arrears, plus applicable taxes.</p> <p>The Manager may, at its discretion, agree to charge a reduced Management Fee for some Unitholders as compared to the Management Fee that the Manager would otherwise be entitled to receive from the Evolve ETF, provided that the difference between the fee otherwise chargeable and the reduced fee is distributed periodically by the Evolve ETF to the applicable Unitholders as a management fee distribution (the “Management Fee Distributions”). Any reduction will depend on a number of factors, including the amount invested, the NAV of the Evolve ETF and the expected amount of account activity. Management Fee Distributions will be paid first out of net income of the Evolve ETF then out of capital gains of the Evolve ETF and thereafter out of capital. See “Fees and Expenses”.</p>
Certain Operating Expenses:	<p>Other than ETF Costs (as defined below), in consideration for the payment by the Evolve ETF of a fixed administration fee (the “Administration Fee”) to the Manager, and subject to compliance with NI 81-102, the Manager pays for the following operating expenses of the Evolve ETF (“Operating Expenses”), including but not limited to: mailing and printing expenses for periodic reports to Unitholders; fees payable to the Registrar and Transfer Agent and Custodian; any reasonable out of pocket expenses incurred by the Manager or its agents in connection with their ongoing obligations to the Evolve ETF; IRC committee member fees and expenses in connection with the IRC; expenses related to compliance with NI 81-107; fees and expenses relating to voting of proxies by a third party; insurance coverage for the members of the IRC; fees payable to the auditors and legal advisors of the Evolve ETF; regulatory filing, stock exchange and licensing fees (if applicable) and CDS fees; banking costs and interest with respect to any borrowing (if applicable); website maintenance costs; costs and expenses of complying with all applicable laws, regulations and policies, including expenses and costs incurred in connection with the continuous public filing requirements such as permitted prospectus preparation and filing expenses; and legal, accounting and audit fees and fees and expenses of the Trustee, Custodian and Manager which are incurred in respect of matters not in the normal course of the Evolve ETF’s activities. The Administration Fee paid to the Manager by the Evolve ETF may, in any particular period, be less than or exceed the Operating Expenses that the Manager incurs. The Manager is not obligated to pay any other expense, cost or fee, including those arising from new government or regulatory requirements relating to the foregoing expenses, costs and fees.</p> <p>The Administration Fee is equal to 0.25% of the NAV of the Evolve ETF, calculated and paid in the same manner as the Management Fees for the Evolve ETF.</p>
ETF Costs	<p>The fund costs (“ETF Costs”) which are payable by the Evolve ETF include any taxes payable by the Evolve ETF to which the Evolve ETF may be subject, including income taxes, sales taxes (including GST/HST) and/or withholding taxes; expenditures incurred upon termination of the Evolve ETF; extraordinary expenses that the Evolve ETF may incur and all amounts paid on account of any indebtedness (if applicable); any expenses of insurance and costs of all suits or legal proceedings in connection with the Evolve ETF or the assets of the Evolve ETF or to protect the Unitholders, the Trustee, the Manager, and the directors, officers, employees or agents of any of them; any expenses of indemnification of the Trustee, the Unitholders, the Manager, and the directors,</p>

officers, employees or agents of any of them to the extent permitted under the Declaration of Trust; and expenses relating to the preparation, printing and mailing of information to Unitholders in connection with meetings of Unitholders. The Evolve ETF is also responsible for all commissions and other costs of portfolio transactions and any extraordinary expenses of the Evolve ETF which may be incurred from time to time.

Fees and Expenses Payable Directly by Unitholders

Type of Fee	Amount and Description
Administrative Fee:	<p>An amount as may be agreed to between the Manager and the Designated Broker or a Dealer, of the Evolve ETF may be charged to offset certain transaction costs associated with an issue, exchange or redemption of Units. This charge does not apply to Unitholders who buy and sell their Units through the facilities of the NEO Exchange.</p> <p>See “Fees and Expenses – Fees and Expenses Payable Directly by the Unitholders – Administrative Fees” and “Exchange and Redemption of Units – Administrative Fee”.</p>

OVERVIEW OF THE LEGAL STRUCTURE OF THE EVOLVE ETF

The Evolve ETF is an actively managed exchange traded mutual fund established under the laws of the Province of Ontario, pursuant to the terms of the Declaration of Trust. The Evolve ETF is a mutual fund under the securities legislation of the provinces and territories of Canada.

EFG, a registered investment fund manager and portfolio manager, will be the promoter, trustee, manager and portfolio manager of the Evolve ETF, and in its capacity as manager, will be responsible for the administration of the Evolve ETF. The principal office of the Evolve ETF and EFG is located at 161 Bay Street, Suite 2700, Toronto, ON M5J 2S1.

The following chart sets out the full legal name as well as the ticker symbol for the Evolve ETF:

Evolve ETF	Ticker Symbol
	Units
Evolve U.S. Marijuana ETF	USMJ

INVESTMENT OBJECTIVES

The investment objective of USMJ is to seek to provide holders of Units with long-term capital appreciation by actively investing in a diversified mix of equity securities of issuers that are involved in the marijuana industry where state and local laws regulate and permit such activities.

The investment objective of the Evolve ETF may not be changed except with the approval of its Unitholders. See “Unitholder Matters” for additional descriptions of the process for calling a meeting of Unitholders and the requirements of Unitholder approval.

INVESTMENT STRATEGIES

The investment strategy of the Evolve ETF is to invest in and hold a portfolio of securities selected by the Manager in order to achieve its investment objective.

USMJ may invest in equity securities of companies listed domestically and globally, and other companies, with business activities in the recreational and/or medical U.S. marijuana industry. Generally, these securities, which could include ADRs, are publicly listed in domestic and/or international markets and are issued by issuers with business activities in the U.S. marijuana industry or that are engaged in research and development and other ancillary businesses to the U.S. marijuana industry.

The initial portfolio selected by the Manager will be determined based on proprietary research and analysis conducted by it. The Manager employs an investment process that combines quantitative techniques, fundamental analysis and risk management. The Manager uses a variety of publicly available resources for such analysis, including shareholder reports of issuers, public disclosure on the websites of applicable health regulators or the Bloomberg Terminal, and various other data services in constructing its portfolio.

In compliance with the requirements of NI 81-102, the Manager may also invest up to 10% of the Evolve ETF’s net asset value in equity securities of unlisted issuers, as determined at the time of investment.

General Investment Strategies of the Evolve ETF

The Evolve ETF will invest in its own actively managed portfolio comprised of various securities and instruments which may include, but are not limited to, equity and equity related securities. Equity related securities held by the Evolve ETF may include, but are not limited to, convertible debt, income trust units, single issuer equity options, preferred shares and warrants. If market conditions require, in order to preserve capital, the Evolve ETF may seek to invest a substantial portion of its assets in cash and cash equivalents.

Investment in other Investment Funds

In accordance with applicable securities legislation, as part of its investment strategy and as an alternative to or in conjunction with investing in and holding securities directly, the Evolve ETF may invest in one or more other

investment funds or exchange traded funds listed on a stock exchange in Canada or the United States. In such case, there shall be no management fees or incentive fees that are payable by the Evolve ETF that, to a reasonable person, would duplicate a fee payable by the underlying exchange traded fund for the same service. The Evolve ETF's allocation to investments in other investment funds or exchange traded funds, if any, will vary from time to time depending on the relative size and liquidity of the investment fund or exchange traded fund, and the ability of the Manager to identify appropriate investment funds or exchange traded funds that are consistent with the Evolve ETF's investment objectives and strategies.

Use of Derivatives and Currency Hedging

The Evolve ETF may enter into one or more currency forward agreements that seek to hedge the currency risk associated with such an investment. At the discretion of the Manager, the Evolve ETF may choose to enter into currency forward agreements to hedge all or a portion of the value of the Evolve ETF's non-Canadian currency exposure back to the Canadian dollar. All such currency forward agreements will be entered into in compliance with NI 81-102 with financial institutions that have a "designated rating" as defined in NI 81-102. Hedging currency exposure to reduce the impact of fluctuations in exchange rates is intended to reduce the direct exposure to foreign currency risk for Unitholders.

Any use of Derivatives by the Evolve ETF will be in compliance with NI 81-102 and other applicable derivatives legislation and will be consistent with the investment objective and investment strategies of the Evolve ETF.

Securities Lending

The Evolve ETF may, in compliance with NI 81-102, lend securities to securities borrowers that are acceptable to it pursuant to the terms of a Securities Lending Agreement under which: (i) the borrower will pay to the Evolve ETF a negotiated securities lending fee and will make compensation payments to the Evolve ETF equal to any distributions received by the borrower on the securities borrowed; (ii) the securities loans must qualify as "securities lending arrangements" for the purposes of the Tax Act; and (iii) the Evolve ETF will receive collateral. The Lending Agent is responsible for the ongoing administration of the securities loans, including the obligation to mark-to-market the loaned securities and collateral on a daily basis, and ensuring that the collateral at least equals the required margin percentage as set out in the Securities Lending Agreement. Any securities lending revenues, net of Lending Agent fees, taxes and, if applicable, rebate payments to borrowers for cash collateral, will be credited to the account of the Evolve ETF from which the securities were borrowed.

Cash Management

From time to time, the Evolve ETF may hold cash or cash equivalents. The Evolve ETF may hold this cash or invest it in money market instruments or securities of money market funds.

OVERVIEW OF THE SECTORS THAT THE EVOLVE ETF INVESTS IN

Please see "Investment Objectives" and "Investment Strategies" for additional information on the sectors applicable to the Evolve ETF.

INVESTMENT RESTRICTIONS

The Evolve ETF is subject to certain investment restrictions and practices contained in securities legislation, including NI 81-102, which are designed in part to ensure that the investments of the Evolve ETF are diversified and relatively liquid and to ensure its proper administration. A change to the fundamental investment objective of the Evolve ETF would require the approval of the Unitholders. Please see "Unitholder Matters – Matters Requiring Unitholders Approval".

Subject to the following, and any exemptive relief that has been or will be obtained, the Evolve ETF is managed in accordance with the investment restrictions and practices set out in the applicable securities legislation, including NI 81-102. See "Exemptions and Approvals".

Tax Related Investment Restrictions

The Evolve ETF will not make an investment or conduct any activity that would result in the Evolve ETF failing to qualify as a "unit trust" or "mutual fund trust" within the meaning of the Tax Act.

FEES AND EXPENSES

This section details the fees and expenses that an investor may have to pay if the investor invests in the Evolve ETF. An investor may have to pay some of these fees and expenses directly. The Evolve ETF may have to pay some of these fees and expenses, which will therefore reduce the value of an investment in the Evolve ETF.

Fees and Expenses Payable by the Evolve ETF

Management Fees

The Evolve ETF will pay an annual management fee (the “**Management Fee**”) to the Manager for acting as trustee, manager and portfolio manager of the Evolve ETF equal to 0.75% of the NAV of the Evolve ETF, calculated daily and payable monthly in arrears, plus applicable taxes. See “Organization and Management Details of the Evolve ETF – Manager – Duties and Services to be Provided by the Manager” for a description of the services provided by the Manager.

To encourage very large investments in the Evolve ETF by a particular Unitholder, the Manager may, at its discretion, agree to charge a reduced Management Fee for some Unitholders as compared to the Management Fee that the Manager would otherwise be entitled to receive from the Evolve ETF, provided that the difference between the fee otherwise chargeable and the reduced fee is distributed periodically by the Evolve ETF to the applicable Unitholders as a management fee distribution (the “**Management Fee Distributions**”). Any reduction will depend on a number of factors, including the amount invested, the NAV of the Evolve ETF and the expected amount of account activity. Management Fee Distributions will be paid first out of net income of the Evolve ETF then out of capital gains of the Evolve ETF and thereafter out of capital. The tax consequences of a Management Fee Distribution will generally be borne by the Unitholder who receives the distribution. See “Income Tax Considerations – Taxation of Holders”.

Certain Operating Expenses

Other than ETF Costs (as defined below), in consideration for the payment by the Evolve ETF of a fixed administration fee (the “Administration Fee”) to the Manager, and subject to compliance with NI 81-102, the Manager pays for the following operating expenses of the Evolve ETF (“**Operating Expenses**”), including but not limited to: mailing and printing expenses for periodic reports to Unitholders; fees payable to the Registrar and Transfer Agent and Custodian; any reasonable out of pocket expenses incurred by the Manager or its agents in connection with their ongoing obligations to the Evolve ETF; IRC committee member fees and expenses in connection with the IRC; expenses related to compliance with NI 81-107; fees and expenses relating to voting of proxies by a third party; insurance coverage for the members of the IRC; fees payable to the auditors and legal advisors of the Evolve ETF; regulatory filing, stock exchange and licensing fees (if applicable) and CDS fees; banking costs and interest with respect to any borrowing (if applicable); website maintenance costs; costs and expenses of complying with all applicable laws, regulations and policies, including expenses and costs incurred in connection with the continuous public filing requirements such as permitted prospectus preparation and filing expenses; and legal, accounting and audit fees and expenses of the Trustee, Custodian and Manager which are incurred in respect of matters not in the normal course of the Evolve ETF’s activities. The Administration Fee paid to the Manager by the Evolve ETF may, in any particular period, be less than or exceed the Operating Expenses that the Manager incurs. The Manager is not obligated to pay any other expense, cost or fee, including those arising from new government or regulatory requirements relating to the foregoing expenses, costs and fees.

The Administration Fee is equal to 0.25% of the NAV of the Evolve ETF, calculated and paid in the same manner as the Management Fees for the Evolve ETF.

ETF Costs

The fund costs (“**ETF Costs**”) which are payable by the Evolve ETF include any taxes payable by the Evolve ETF to which the Evolve ETF may be subject, including income taxes, sales taxes (including GST/HST) and/or withholding taxes; expenditures incurred upon termination of the Evolve ETF; extraordinary expenses that the Evolve ETF may incur and all amounts paid on account of any indebtedness (if applicable); any expenses of insurance and costs of all suits or legal proceedings in connection with the Evolve ETF or the assets of the Evolve ETF or to protect the Unitholders, the Trustee, the Manager, and the directors, officers, employees or agents of any of them; any expenses of indemnification of the Trustee, the Unitholders, the Manager, and the directors, officers, employees or agents of

any of them to the extent permitted under the Declaration of Trust; and expenses relating to the preparation, printing and mailing of information to Unitholders in connection with meetings of Unitholders. The Evolve ETF is also responsible for all commissions and other costs of portfolio transactions and any extraordinary expenses of the Evolve ETF which may be incurred from time to time

Fees and Expenses Payable Directly by the Unitholders

Administrative Fees

An amount as may be agreed to between the Manager and the Designated Broker or a Dealer, may be charged to offset certain transaction costs associated with an issue, exchange or redemption of Units. This charge does not apply to Unitholders who buy and sell their Units through the facilities of the NEO Exchange. See “Exchange and Redemption of Units – Administrative Fee”.

RISK FACTORS

In addition to the considerations set out elsewhere in this prospectus, the following are certain considerations relating to an investment in Units that prospective investors should consider before purchasing such Units:

Risks Relating to an Investment in the Evolve ETF

General Risks of Investments

The value of the underlying securities of the Evolve ETF, whether held directly or indirectly, may fluctuate in accordance with changes in the financial condition of the issuers of those underlying securities, the condition of equity and currency markets generally and other factors.

The risks inherent in investments in equity or debt securities, whether held directly or indirectly, include the risk that the financial condition of the issuers of the securities may become impaired or that the general condition of the stock market may deteriorate. Equity and debt securities are susceptible to general stock market fluctuations and the financial condition of the issuer. These investor perceptions are based on various and unpredictable factors, including expectations regarding government, economic, monetary and fiscal policies, inflation and interest rates, economic expansion or contraction and global or regional political, economic and banking crises.

Asset Class Risk

The securities in the portfolio of the Evolve ETF may underperform the returns of other securities that track other countries, regions, industries, asset classes or sectors. Various asset classes tend to experience cycles of outperformance and underperformance in comparison to the general securities markets.

Issuer Risk

Performance of the Evolve ETF depends on the performance of the individual securities to which the Evolve ETF has exposure. Changes in the financial condition or credit rating of an issuer of those securities may cause the value of the securities to decline.

Illiquid Securities

In compliance with NI 81-102, the Manager may also invest up to 10% of the Evolve ETF’s net asset value in equity securities of unlisted issuers, as determined at the time of investment. If the Evolve ETF is unable to dispose of some or all of the securities held by it, the Evolve ETF may experience a delay in the receipt of the proceeds of disposition until such time as it is able to dispose of such securities on terms or at a price acceptable to the Manager on a timely basis. In accordance with Canadian Securities Legislation, there are restrictions on the amount of illiquid securities that the Evolve ETF is permitted to hold.

Reliance on Key Personnel

Unitholders will be dependent on the abilities of the Manager to effectively manage the Evolve ETF in a manner consistent with its investment objective, investment strategies and investment restrictions. There is no certainty that the individuals who are principally responsible for providing administration and portfolio management services to the Evolve ETF will continue to be employed by the Manager.

General Risks of Equity Investments

Holders of equity securities of an issuer incur more risk than holders of debt obligations of such issuer because shareholders, as owners of such issuer, have generally inferior rights to receive payments from such issuer in comparison with the rights of creditors of, or holders of debt obligations issued by, such issuer. Further, unlike debt securities, which typically have a stated principal amount payable at maturity (whose value, however, will be subject to market fluctuations prior thereto), equity securities have neither a fixed principal amount nor a maturity.

Distributions on the Units will generally depend upon the declaration of dividends or distributions on the securities in the Evolve ETF's portfolio. The declaration of such dividends or distributions generally depends upon various factors, including the financial condition of the issuers included in the Evolve ETF's portfolio and general economic conditions. Therefore, there can be no assurance that the issuers included in the Evolve ETF's portfolio will pay dividends or distributions on portfolio securities.

Trading Price of Units

Units may trade in the market at a premium or a discount to the NAV per Unit. There can be no assurance that Units will trade at prices that reflect their NAV per Unit. The trading price of the Units will fluctuate in accordance with changes in the Evolve ETF's NAV, as well as market supply and demand on the NEO Exchange.

Fluctuations in NAV and NAV per Unit

The NAV and NAV per Unit of the Evolve ETF will vary according to, among other things, the value of the securities held by the Evolve ETF. The Manager and the Evolve ETF have no control over the factors that affect the value of the securities held by the Evolve ETF, including factors that affect the equity and debt markets generally, such as general economic and political conditions, fluctuations in interest rates and factors unique to each issuer included in the applicable portfolio, such as changes in management, changes in strategic direction, achievement of strategic goals, mergers, acquisitions and divestitures, changes in distribution and dividend policies and other events.

Country Risk

The Evolve ETF may invest primarily in a specific region or country, may be more volatile than a more geographically diversified fund and will be strongly affected by the overall economic performance of that specific region or country. The Evolve ETF must continue to follow its investment objective regardless of the economic performance of a specific region or country.

Small and Micro Capitalization Risk

Capitalization is a measure of the value of a company. It is the current price of a company's stock, multiplied by the number of shares issued by the company. Companies with small and micro capitalization may not have a well-developed market for their securities. As a result, such securities may be difficult to trade, making their prices more volatile than those of large capitalization companies.

Small Exchange Risk

The Evolve ETF may invest in securities of issuers listed on smaller or junior exchanges. Smaller exchanges may have different clearance and settlement procedures and may involve unique risks not typically associated with investing in securities of issuers listed on a major stock exchange. The securities of issuers listed on smaller exchanges may be more volatile or lack liquidity than the types of issuers typically listed on a major exchange, and some exchanges may have higher transaction costs or potential for delay in settlement procedures. Delays in settlement may increase risk to the Evolve ETF's portfolio, limit the ability of the Evolve ETF to reinvest the proceeds of a sale of securities, hinder

the ability of the Evolve ETF to lend its portfolio securities, and potentially subject the Evolve ETF to penalties for its failure to deliver.

Marijuana Sector Risk

The marijuana industry is subject to various laws, regulations and guidelines relating to the manufacture, management, transportation, storage and disposal of medical marijuana, as well as subject to laws and regulations relating to health and safety, the conduct of operations and the protection of the environment. The regulatory environment governing the medical and marijuana industries in the United States where local laws permit such activities are, and will continue to be, subject to evolving regulation by governmental authorities. Accordingly, there are a number of risks associated with investing in businesses in an evolving regulatory environment, including, without limitation, increased industry competition, rapid consolidation of industry participants and potential bankruptcy of industry participants.

There can be no assurance that federal or state laws legalizing and regulating the sale and use of marijuana will not be repealed or overturned, that proposed federal or state laws legalizing and regulating the sale and use of marijuana will become law, or that governmental authorities will not limit the application of such laws within their respective jurisdictions. If governmental authorities begin to enforce certain laws relating to marijuana in jurisdictions where the sale and use of marijuana is currently legal, or if existing laws are repealed or curtailed, the Evolve ETF's investments in such businesses may be materially and adversely affected notwithstanding the fact that the Evolve ETF is not directly engaged in the sale or distribution of marijuana. Actions by governmental authorities against any individual or entity engaged in the marijuana industry, or a substantial repeal of marijuana related legislation, could adversely affect the Evolve ETF and its investments.

The marijuana industry is subject to extensive controls and regulations, which may significantly affect the financial condition of market participants. The marketability of any product may be affected by numerous factors that are beyond the control of the portfolio issuers and which cannot be predicted, such as changes to government regulations, including those relating to taxes and other government levies which may be imposed. Changes in government levies, including taxes, could reduce a portfolio issuer's earnings and could make future capital investments or the portfolio issuer's operations uneconomic. The industry is also subject to numerous legal challenges, which may significantly affect the financial condition of market participants and which cannot be reliably predicted.

The issuers included in the portfolio may incur ongoing costs and obligations related to regulatory compliance. Failure to comply with regulations may result in additional costs for corrective measures, penalties or in restrictions of operations. In addition, changes in regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the issuers and, therefore, on the Evolve ETF's prospective returns.

Among the reasons noted above, as a result of perceived reputational risk, companies in the marijuana sector may also have difficulty establishing or maintaining bank accounts, or other business relationships. Failure to establish or maintain business relationships could have a material adverse effect on companies in this sector.

Specific Risks Associated with the Marijuana Industry in the U.S.

Unlike Canada, which has federal, provincial and territorial legislation governing the medical and adult use marijuana industries, the U.S. largely regulates marijuana at the state level. To the Manager's knowledge, the majority of states have regulated medical marijuana in some form. Notwithstanding the regulation of medical marijuana at the state level, marijuana continues to be categorized as a controlled substance under the CSA and as such, is illegal under federal law in the U.S.

However, the Manager understands that the U.S. Congress has passed appropriations bills that have not appropriated funds for prosecution of marijuana offenses of individuals who are in compliance with state medical marijuana laws. American courts have construed these appropriations bills to prevent the federal government from prosecuting individuals when those individuals comply with state law. However, because this conduct continues to violate federal law, American courts have observed that should Congress at any time choose to appropriate funds to fully prosecute the CSA, any individual or business - even those that have fully complied with state law - could be prosecuted for violations of federal law. If Congress restores funding, the U.S. federal government will have the authority to prosecute individuals for violations of the law before it lacked funding under the CSA's five-year statute of limitations. Because certain of the companies in which the Evolve ETF invests engages in cannabis-related activities in the United States,

an increase in federal enforcement efforts with respect to current U.S. federal laws applicable to cannabis could cause financial damage to those companies and the Evolve ETF.

Accordingly, enforcement of the U.S. federal law is a significant risk.

Violations of any U.S. federal laws and regulations could result in significant fines, penalties, administrative sanctions, convictions or settlements arising from civil proceedings conducted by either the federal government or private citizens, or criminal charges, including, but not limited to, disgorgement of profits, cessation of business activities or divestiture. This could have a material adverse effect on the Evolve ETF and the Manager, including its reputation and ability to conduct business, its contractual arrangements with third party service providers (who may withdraw or suspend the provision of services to the Evolve ETF or the Manager), its ability to hold (directly or indirectly) securities of issuers that have obtained or applied for medical marijuana licenses in the U.S., the listing of its securities on various stock exchanges, its financial position, operating results, profitability or liquidity or the market price of its publicly traded shares. In addition, it is difficult for the Manager to estimate the time or resources that would be needed for the investigation of any such matters or its final resolution because, in part, the time and resources that may be needed are dependent on the nature and extent of any information requested by the applicable authorities involved, and such time or resources could be substantial.

Risk that Marijuana Laws may be Subject to Change

As a result of the conflicting views between state legislatures and the U.S. federal government regarding marijuana, investments in marijuana businesses in the U.S. are subject to inconsistent legislation, regulation and enforcement. The response to this inconsistency was addressed in August 2013 when then Deputy Attorney General, James Cole, authored a memorandum (the “**Cole Memorandum**”) addressed to all U.S. district attorneys acknowledging that notwithstanding the designation of marijuana as a controlled substance at the federal level in the U.S., several U.S. states have enacted laws relating to marijuana for medical purposes. The Cole Memorandum outlined certain priorities for the Department of Justice relating to the prosecution of marijuana offenses. In particular, the Cole Memorandum noted that in jurisdictions that have enacted laws legalizing marijuana in some form and that have also implemented strong and effective regulatory and enforcement systems to control the cultivation, distribution, sale and possession of marijuana, conduct in compliance with those laws and regulations is less likely to be a priority at the federal level. Notably, however, the Department of Justice has never provided specific guidelines for what regulatory and enforcement systems it deems sufficient under the Cole Memorandum standard.

However, on January 4, 2018, the U.S. federal government rescinded all previous nationwide guidance specific to marijuana enforcement, including the Cole Memorandum. With the Cole Memorandum rescinded, U.S. federal prosecutors may again exercise their discretion in determining whether to prosecute marijuana-related violations of U.S. federal law. It is possible that further regulatory developments in the U.S. could significantly adversely affect the business, financial condition and results of businesses involved in the marijuana industry.

Although the Cole Memorandum has been rescinded, one legislative safeguard for the medical marijuana industry remains in place. Congress has used a rider known as Rohrabacher-Blumenauer Amendment in various Consolidated Appropriations Acts (the “**RBA**”) to prevent the federal government from using congressionally appropriated funds to enforce federal marijuana laws against regulated medical marijuana actors operating in compliance with state and local law. However, this measure does not protect adult use marijuana businesses. The RBA is an appropriations rider that prohibits the DOJ from using federal funds to prevent states from implementing marijuana laws. While Congress has consistently renewed the RBA, there is no guarantee Congress will continue to do so in the future.

If the RBA or an equivalent thereof is not successfully amended to subsequent federal omnibus spending bills, there can be no assurance that the U.S. federal government will not seek to prosecute cases involving medical marijuana businesses that are otherwise compliant with state law. Such potential proceedings could involve significant restrictions being imposed upon the Evolve ETF or third parties, while diverting the attention of key executives. Such proceedings could have a material adverse effect on the Evolve ETF’s business, revenues, operating results and financial condition as well as the Evolve ETF’s reputation, even if such proceedings were concluded successfully in favour of the Evolve ETF.

U.S. Anti-Money Laundering Laws and Regulations Risk

The Manager and the Evolve ETF are subject to a variety of laws and regulations domestically and in the United States that relate to money laundering, financial recordkeeping and proceeds of crime, including the Currency and Foreign Transactions Reporting Act of 1970 (commonly known as the Bank Secrecy Act), as amended by Title III of the

Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (USA PATRIOT Act), the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada), as amended and the rules and regulations thereunder, the Criminal Code (Canada) and any related or similar rules, regulations or guidelines, issued, administered or enforced by governmental authorities in the United States and Canada.

In February 2014, the Financial Crimes Enforcement Network of the Treasury Department issued a memorandum (the "**FinCEN Memorandum**") providing instructions to banks seeking to provide services to marijuana-related businesses. The FinCEN Memorandum states that in some circumstances, it is permissible for banks to provide services to marijuana-related businesses without risking prosecution for violation of federal money laundering laws. It refers to supplementary guidance that Deputy Attorney General Cole issued to federal prosecutors relating to the prosecution of money laundering offenses predicated on marijuana-related violations of the CSA. It is unclear whether the current administration will follow the guidelines of the FinCEN Memorandum, although immediately after the Sessions Memorandum, United States Treasury Secretary stated that the Treasury Department had no intention to rescind the FinCEN Memorandum but, instead, wanted to improve the availability of banking services in the state-regulated marijuana space.

In the event that any of the Evolve ETF's investments, or any proceeds thereof, any dividends or distributions therefrom, or any profits or revenues accruing from such investments in the U.S. were found to be in violation of money laundering legislation or otherwise, such transactions may be viewed as proceeds of crime under one or more of the statutes noted above or any other applicable legislation. This could restrict or otherwise jeopardize the ability of the ETF to declare or pay dividends, effect other distributions or subsequently repatriate such funds back to Canada.

Investments in the U.S. may be subject to Heightened Scrutiny

For the reasons set forth above, the Evolve ETF's future investments in the U.S. may become the subject of heightened scrutiny by regulators, stock exchanges and other authorities in Canada. As a result, the Evolve ETF may be subject to significant direct and indirect interaction with public officials. There can be no assurance that this heightened scrutiny will not in turn lead to the imposition of certain restrictions on the Evolve ETF's ability to invest in the U.S. or any other jurisdiction, in addition to those described herein.

Government policy changes or public opinion may also result in a significant influence over the regulation of the marijuana industry in Canada, the U.S. or elsewhere. A negative shift in the public's perception of medical marijuana in the U.S. or any other applicable jurisdiction could affect future legislation or regulation in the sector.

U.S. Board Officials Could Deny Entry into the U.S. to Investors in Companies with U.S. Cannabis Operations

Because cannabis remains illegal under U.S. federal law, investors in companies with U.S. cannabis operations could face detention, denial of entry or lifetime bans from the U.S. for their associations with or investments in U.S. cannabis businesses. Entry happens at the sole discretion of the U.S. Customs and Border Protection officers on duty, and these officers have wide latitude to ask questions to determine the admissibility of a foreign national. The government of Canada has started warning travelers on its website that previous use of cannabis, or any substance prohibited by U.S. federal laws, could mean denial of entry to the U.S.

Private Issuer Risk

The securities of private issuers are held at fair value using appropriate and accepted industry valuation techniques including valuation models that are subject to regular review. Accordingly, at any given time, the price at which such securities are recorded for purposes of the calculation of NAV may overstate or understate the value of the Evolve ETF.

Hedging Risk

The use of currency hedges by the Evolve ETF, if used, involves special risks, including the possible default by the other party to the transaction, illiquidity and, to the extent the Manager's assessment of certain market movements is incorrect, the risk that the use of hedges could result in losses greater than if the hedging had not been used. Hedging arrangements may have the effect of limiting or reducing the total returns to the Evolve ETF if the Manager's expectations concerning future events or market conditions prove to be incorrect. In addition, the costs associated with a hedging program may outweigh the benefits of the arrangements in such circumstances.

Cease Trading of Securities Risk

If the securities of an issuer included in the portfolio of the Evolve ETF are cease-traded by order of the relevant Securities Regulatory Authority or are halted from trading by the relevant stock exchange, the Evolve ETF may halt trading in its Units. Accordingly, securities of the Evolve ETF bear the risk of cease trading orders against all issuers whose securities are included in its portfolio, not just one. If portfolio securities of the Evolve ETF are cease-traded by order of a Securities Regulatory Authority, if normal trading of such securities is suspended on the relevant exchange, or if for any reason it is likely there will be no closing bid price for such securities, the Evolve ETF may suspend the right to redeem Units for cash as described under “Exchange and Redemption of Units – Suspension of Exchanges and Redemptions”, subject to any required prior regulatory approval. If the right to redeem Units for cash is suspended for any reason, the Evolve ETF may return redemption requests to securityholders who have submitted them. If securities are cease-traded, they may not be delivered on an exchange of a PNU for a Basket of Securities until such time as the cease-trade order is lifted.

Concentration Risk

The Evolve ETF will have more of its net assets invested in one or more issuers and/or sectors than is typical for many investment funds. In these circumstances, the Evolve ETF may be affected more by the performance of individual issuers in its portfolio, with the result that the NAV of the Evolve ETF may be more volatile and may fluctuate more over short periods of time than the net asset value of a more broadly diversified investment fund. In addition, this may increase the liquidity risk of the Evolve ETF which may, in turn, have an effect on the Evolve ETF’s ability to satisfy redemption requests.

Exchange Rate Risk

Changes in foreign currency exchange rates may affect the NAV of the Evolve ETF to the extent it holds investments denominated in currencies other than the Canadian dollar. The Units are Canadian dollar denominated. As a portion of the Evolve ETF’s portfolio may be invested in securities traded in foreign currencies, the NAV, when measured in Canadian dollars, will be affected by changes in the value of the foreign currencies relative to the Canadian dollar.

Exchange Traded Funds Risk

The Evolve ETF may invest in exchange traded funds that seek to provide returns similar to the performance of a particular market index or industry sector index. Any such exchange traded fund may not achieve the same return as its benchmark market or industry sector index due to differences in the actual weightings of securities held in the fund versus the weightings in the relevant index and due to the operating and administrative expenses of the fund.

Securities Lending Risk

The Evolve ETF may enter into securities lending arrangements in accordance with NI 81-102 in order to generate additional income to enhance the NAV of the Evolve ETF. In a securities lending transaction, the Evolve ETF lends its securities to a borrower in exchange for a fee and the other party to the transaction delivers collateral to the Evolve ETF in order to secure the transaction.

Securities lending comes with certain risks. If the other party to the transaction cannot complete the transaction, the Evolve ETF may be exposed to the risk of loss should the other party default on its obligation to return the borrowed securities and the collateral be insufficient to reconstitute the portfolio of loaned securities. To minimize this risk, the other party must provide collateral that is worth at least 102% of the value of the Evolve ETF’s securities and of the type permitted by NI 81-102. The value of the collateral is monitored daily and adjusted appropriately by the securities lending agent of the Evolve ETF.

The Evolve ETF may not commit more than 50% of its NAV to securities lending transactions at any time and such transactions may be ended at any time.

Use of Derivatives

The Evolve ETF may use Derivatives from time to time in accordance with NI 81-102 as described under “Investment Strategies”. The use of Derivatives involves risks different from, and possibly greater than, the risks associated with

investing directly in securities and other traditional investments. Risks associated with the use of Derivatives include: (i) there is no guarantee that hedging to reduce risk will not result in a loss or that there will be a gain; (ii) there is no guarantee that a market will exist when the Evolve ETF wants to complete the Derivative contract, which could prevent the Evolve ETF from reducing a loss or making a profit; (iii) securities exchanges may impose trading limits on options and futures contracts, and these limits may prevent the Evolve ETF from completing the Derivative contract; (iv) the Evolve ETF could experience a loss if the other party to the Derivative contract is unable to fulfill its obligations; (v) if the Evolve ETF has an open position in an option, a futures contract or a forward contract or a swap with a Dealer or Counterparty who goes bankrupt, the Evolve ETF could experience a loss and, for an open futures or forward contract or a swap, a loss of margin deposits with that Dealer or Counterparty; and (vi) if a Derivative is based on a stock market index and trading is halted on a substantial number of stocks in the index or there is a change in the composition of the index, there could be an adverse effect on the Derivative.

Changes in Legislation

There can be no assurance that income tax, securities and other laws will not be changed in a manner that adversely affects the Evolve ETF or the Unitholders. There can be no assurance that Canadian federal income tax laws and the administrative policies and assessing practices of the CRA respecting the treatment of mutual fund trusts, SIFT trusts or an investment in a non-resident trust will not be changed in a manner that adversely affects the Evolve ETF or the Unitholders.

Taxation of the Evolve ETF

It is anticipated that the Evolve ETF will qualify, or will be deemed to qualify, at all times as a “mutual fund trust” within the meaning of the Tax Act. For the Evolve ETF to qualify as a “mutual fund trust”, it must comply on a continuous basis with certain requirements relating to the qualification of its Units for distribution to the public, the number of Unitholders and the dispersal of ownership of its Units.

A trust will be deemed not to be a mutual fund trust if it is established or maintained primarily for the benefit of non-residents of Canada unless, at that time, all or substantially all of its property is property other than property that would be “taxable Canadian property” (if the definition of such term in the Tax Act were read without reference to paragraph (b) thereof). The law does not provide any means of rectifying a loss of mutual fund trust status if this requirement is not met.

The Evolve ETF contains a restriction on the number of permitted non-resident Unitholders. The Evolve ETF is expected to meet all the requirements to qualify as a “mutual fund trust” for the purposes of the Tax Act before the 91st day after the end of its first taxation year (determined without regard to any taxation year-end that may be deemed to occur for other purposes under the rules in the Tax Act relating to “loss restriction events”). Assuming the Evolve ETF meets these requirements before such day, the Evolve ETF will file an election to qualify as a mutual fund trust from its inception in 2019.

If the Evolve ETF does not qualify as a mutual fund trust or were to cease to so qualify, the income tax considerations as described under “Income Tax Considerations” would in some respects be materially and adversely different. For example, if the Evolve ETF does not qualify as a “mutual fund trust” within the meaning of the Tax Act throughout a taxation year, the Evolve ETF may be liable to pay alternative minimum tax and/or tax under Part XII.2 of the Tax Act, and would not be entitled to the Capital Gains Refund (as defined herein). In addition, if the Evolve ETF does not qualify as a mutual fund trust, it may be subject to the “mark-to-market” rules under the Tax Act if more than 50% of the fair market value of the Units are held by “financial institutions”, within the meaning of the Tax Act.

The tax treatment of gains and losses realized by the Evolve ETF will depend on whether such gains or losses are treated as being on income or capital account, as described in this paragraph. In determining its income for tax purposes, the Evolve ETF will treat gains or losses realized on the disposition of portfolio securities held by it as capital gains and losses. In general, gains and losses realized by the Evolve ETF from Derivative transactions will be on income account except where such Derivatives are used to hedge portfolio securities held on capital account provided there is sufficient linkage, subject to the DFA Rules discussed below. Gains or losses in respect of currency hedges entered into in respect of amounts invested in the portfolio of the Evolve ETF will constitute capital gains and capital losses to the Evolve ETF if the securities in the Evolve ETF’s portfolio are capital property to the Evolve ETF and provided there is sufficient linkage. Designations with respect to the Evolve ETF’s income and capital gains will be made and reported to Unitholders on the foregoing basis. The CRA’s practice is not to grant advance income tax rulings on the characterization of items as capital gains or income and no advance income tax ruling has been requested or obtained.

If these foregoing dispositions or transactions of the Evolve ETF are determined not to be on capital account (whether because of the DFA Rules discussed below or otherwise), the net income of the Evolve ETF for tax purposes and the taxable component of distributions to its Unitholders could increase. Any such redetermination by the CRA may result in the Evolve ETF being liable for unremitted withholding taxes on prior distributions made to its Unitholders who were not resident in Canada for purposes of the Tax Act at the time of the distribution. Such potential liability may reduce the NAV and NAV per Unit of the Evolve ETF.

The Tax Act contains rules (the “**DFA Rules**”) that target certain financial arrangements (described in the DFA Rules as “derivative forward agreements”) that seek to deliver a return based on an “underlying interest” (other than certain excluded underlying interests) for purposes of the DFA Rules. The DFA Rules are broad in scope and could apply to other agreements or transactions. If the DFA Rules were to apply in respect of any Derivatives to be utilized by the Evolve ETF, gains realized in respect of the property underlying such Derivatives could be treated as ordinary income rather than capital gains.

Pursuant to rules in the Tax Act, if the Evolve ETF experiences a “loss restriction event” (i) it will be deemed to have a year-end for tax purposes (which would result in an unscheduled distribution of the Evolve ETF’s net income and net realized capital gains, if any, at such time to Unitholders so that the Evolve ETF is not liable for income tax on such amounts under Part I of the Tax Act), and (ii) it will become subject to the loss restriction rules generally applicable to a corporation that experiences an acquisition of control, including a deemed realization of any unrealized capital losses and restrictions on its ability to carry forward losses. Generally, the Evolve ETF will be subject to a loss restriction event if a Unitholder becomes a “majority-interest beneficiary”, or a group of persons becomes a “majority-interest group of beneficiaries”, of the Evolve ETF, as those terms are defined in the affiliated persons rules contained in the Tax Act, with certain modifications. Generally, a majority-interest beneficiary of the Evolve ETF is a beneficiary in the income or capital, as the case may be, of the Evolve ETF whose beneficial interests, together with the beneficial interests of persons and partnerships with whom the beneficiary is affiliated, have a fair market value that is greater than 50% of the fair market value of all the interests in the income or capital, as the case may be, of the Evolve ETF. Please see “Income Tax Considerations – Taxation of Holders” for the tax consequences of an unscheduled or other distribution to Unitholders. Trusts that qualify as “investment funds” as defined in the rules in the Tax Act relating to loss restriction events are generally excepted from the application of such rules. An “investment fund” for this purpose includes a trust that meets certain conditions, including satisfying certain of the conditions necessary to qualify as a “mutual fund trust” for purposes of the Tax Act, not holding any property that it uses in the course of carrying on a business and complying with certain asset diversification requirements. If the Evolve ETF were not to qualify as an “investment fund”, it could potentially have a loss restriction event and thereby become subject to the related tax consequences described above.

The Tax Act contains rules (the “**SIFT Rules**”) concerning the taxation of publicly traded Canadian trusts and partnerships that own certain types of property defined as “non-portfolio property”. A trust that is subject to these rules is subject to trust level taxation, at rates comparable to those that apply to corporations, on the trust’s income earned from “non-portfolio property” to the extent that such income is distributed to its unitholders. If the Evolve ETF is subject to tax under the SIFT Rules, the after-tax return to its Unitholders could be reduced, particularly in the case of a Unitholder who is exempt from tax under the Tax Act or is a non-resident of Canada.

The Evolve ETF will invest in global equity securities. Many foreign countries preserve their right under domestic tax laws and applicable tax conventions with respect to taxes on income and on capital (“**Tax Treaties**”) to impose tax on dividends or distributions paid or credited to persons who are not resident in such countries. While the Evolve ETF intends to make investments in such a manner as to minimize the amount of foreign taxes incurred under foreign tax laws and subject to any applicable Tax Treaties, investments in global equity securities may subject the Evolve ETF to foreign taxes on dividends or distributions paid or credited to them or any gains realized on the disposition of such securities. Any foreign taxes incurred by the Evolve ETF will generally reduce the value of its portfolio. To the extent that such foreign tax paid by the Evolve ETF exceeds 15% of the amount included in the Evolve ETF’s income from such investments, such excess may generally be deducted by the Evolve ETF in computing its net income for the purposes of the Tax Act. To the extent that foreign tax paid does not exceed 15% of the amount included in the Evolve ETF’s income from such investments and has not been deducted in computing the Evolve ETF’s income and the Evolve ETF designates its income from a foreign source in respect of a Unitholder of the Evolve ETF, the Unitholder will, for the purposes of computing its foreign tax credits, be entitled to treat the Unitholder’s proportionate share of foreign taxes paid by the Evolve ETF in respect of such income as foreign taxes paid by the Unitholder. The availability of foreign tax credits to a Unitholder of the Evolve ETF is subject to the detailed rules in the Tax Act.

Lack of Operating History

The Evolve ETF is a newly organized investment trust with no operating history. Although the Evolve ETF may be listed on the NEO Exchange, there can be no assurance that an active public market for the Units will develop or be sustained.

Cease Trading of Units

If issuers in the portfolio of the Evolve ETF are cease traded at any time by a Securities Regulatory Authority or other relevant regulator or stock exchange, the Manager may suspend the exchange or redemption of Units until such time as the transfer of the securities is permitted as described under “Purchases of Units – Suspension of Exchanges and Redemptions”. As a result, when the Evolve ETF holds securities traded on an exchange or other organized market, the Evolve ETF bears the risk of cease trading orders against any securities held in its portfolio.

Risk Rating of the Evolve ETF

The investment risk level of the Evolve ETF is required to be determined in accordance with a standardized risk classification methodology that is based on the historical volatility of the Evolve ETF, as measured by the 10-year standard deviation of the returns of the Evolve ETF. As the Evolve ETF is new, the Manager calculates the investment risk level of the Evolve ETF using a reference index that is expected to reasonably approximate the standard deviation of the Evolve ETF. Once the Evolve ETF has 10 years of performance history, the methodology will calculate the standard deviation of the Evolve ETF using the return history of the Evolve ETF rather than that of the reference index. The Evolve ETF is assigned an investment risk rating in one of the following categories: low, low to medium, medium, medium to high or high risk.

The following chart sets out a description of the reference index used for the Evolve ETF:

Evolve ETF	Reference Index
Evolve U.S. Marijuana ETF	S&P/TSX Venture Composite Index – a broad market capitalization-based index which is designed to measure the performance of securities listed on the TSX Venture Exchange.

Unitholders should know that other types of risks, both measurable and non-measurable, exist. Also, just as historical performance may not be indicative of future returns, historical volatility may not be indicative of future volatility. The risk rating of the Evolve ETF is reviewed annually and any time it is no longer reasonable in the circumstances. A more detailed explanation of the risk classification methodology used to identify the risk rating of the Evolve ETF is available on request, at no cost, by calling toll-free 1-844-370-4884 or by writing to Evolve Funds Group Inc., 161 Bay Street, Suite 2700, Toronto, ON M5J 2S1.

DISTRIBUTION POLICY

Cash distributions of income, if any, on Units will be paid monthly.

The amount of distributions, if any, will be based on the Manager’s assessment of anticipated cash flow and anticipated expenses of the Evolve ETF from time to time. The date of any cash distribution of the Evolve ETF will be announced in advance by issuance of a press release. The Manager may, in its complete discretion, change the frequency of these distributions and any such change will be announced by issuance of a press release.

Depending on the underlying investments of the Evolve ETF, distributions on Units may consist of ordinary income, including foreign source income sourced from foreign dividends, distributions or interest received by the Evolve ETF and dividends from taxable Canadian corporations but may also include net realized capital gains, in any case, less the expenses of the Evolve ETF and may include returns of capital. To the extent that the expenses of the Evolve ETF exceed the income generated by such Evolve ETF in any applicable distribution period, it is not expected that a distribution for that period will be paid. Management Fee Distributions, if any, will be paid first out of the net income, then out of capital gains of the Evolve ETF and thereafter out of capital. The tax consequences of a Management Fee Distribution will generally be borne by the Unitholder who receives the distribution.

If, for any taxation year, after the ordinary distributions, if any, there would remain in the Evolve ETF additional net income or net realized capital gains, the Evolve ETF will, after December 15 but on or before December 31 of that calendar year, be required to pay or make payable such net income and net realized capital gains as one or more special year-end distributions to Unitholders as is necessary to ensure that the Evolve ETF will not be liable for income tax on such amounts under Part I of the Tax Act (after taking into account all available deductions, credits and refunds). Such special distributions may be paid in the form of Units and/or cash. Any special distributions payable in Units 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 held by a Unitholder will be automatically consolidated such that the number of Units held by the Unitholder 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.

The tax treatment to Unitholders of distributions is discussed under the heading "Income Tax Considerations".

Distribution Reinvestment Plan

The Manager may adopt a distribution reinvestment plan in respect of the Evolve ETF under which cash distributions are used to purchase additional Units acquired in the market by the plan agent, and are credited to the participating Unitholder in accordance with the terms of such plan (a copy of which would be available through your broker or dealer). The following are the key terms of such a distribution reinvestment plan:

- Participation in a distribution reinvestment plan will be restricted to Unitholders who are residents of Canada for the purposes of the Tax Act or "Canadian partnerships" as defined in the Tax Act. Immediately upon becoming a non-resident of Canada or ceasing to be a Canadian partnership, a participating Unitholder will be required to notify his, her or its CDS Participant and terminate participation in the distribution reinvestment plan.
- A Unitholder who wishes to enrol in the distribution reinvestment plan as of a particular Distribution Record Date should notify his, her or its CDS Participant sufficiently in advance of that Distribution Record Date to allow the CDS Participant to notify CDS by 4:00 p.m. (Toronto time) on that Distribution Record Date.
- Distributions that participating Unitholders are due to receive will be used to purchase Units on behalf of such Unitholder in the market.
- No fractional Units will be delivered under a distribution reinvestment plan. Payment in cash for any remaining uninvested funds may be made in lieu of delivering fractional Units by the plan agent to CDS or a CDS Participant, on a monthly or quarterly basis, as the case may be. Where applicable, CDS will, in turn, credit the participating Unitholder, via the applicable CDS Participant.

The automatic reinvestment of distributions under the distribution reinvestment plan does not relieve participating Unitholders of any income tax applicable to the distributions.

The tax treatment to Unitholders of reinvested distributions is discussed under the heading "Income Tax Considerations".

Participating Unitholders will be able to terminate their participation in the distribution reinvestment plan as of a particular Distribution Record Date by notifying their CDS Participant by the prescribed cut-off time prior to the applicable Distribution Record Date. Beginning on the first distribution payment date after such notice is delivered, distributions to such Unitholders will be in cash. The form of termination notice will be available from CDS Participants and any expenses associated with the preparation and delivery of such termination notice will be for the account of the participating Unitholder exercising its rights to terminate participation in the distribution reinvestment plan. The Manager will be permitted to terminate the distribution reinvestment plan, in its sole discretion, upon not less than 30 days' notice to participating Unitholders and the plan agent, subject to any required regulatory approval.

The Manager is permitted to amend, modify or suspend the distribution reinvestment plan, or add additional features including authorizing pre-authorized cash contributions or systematic withdrawals, at any time, in its sole discretion, provided that it complies with certain requirements, and gives notice of such amendment, modification or suspension to the participating Unitholders and the plan agent, subject to any required regulatory approval, which notice may be given by issuing a press release containing a summary description of the amendment or in any other manner that the Manager determines to be appropriate.

The Manager may from time to time adopt rules and regulations to facilitate the administration of the distribution reinvestment plan. The Manager reserves the right to regulate and interpret the distribution reinvestment plan as it deems necessary or desirable to ensure the efficient and equitable operation of the distribution reinvestment plan.

PURCHASES OF UNITS

Initial Investment in the Evolve ETF

The Evolve ETF will not issue Units to the public until subscriptions aggregating not less than \$500,000 have been received and accepted by the Evolve ETF from investors other than persons or companies related to the Manager or its affiliates.

Continuous Distribution

Units are being issued and sold on a continuous basis and there is no maximum number of Units that may be issued.

Designated Broker

All orders to purchase Units directly from the Evolve ETF must be placed by the Designated Broker or Dealers. The Evolve ETF reserves the absolute right to reject any subscription order placed by the Designated Broker and/or a Dealer. No fees will be payable by the Evolve ETF to the Designated Broker or a Dealer in connection with the issuance of Units. On the issuance of Units, the Manager may, at its discretion, charge an administrative fee to a Dealer or the Designated Broker to offset any expenses (including any applicable additional listing fees) incurred in issuing the Units.

On any Trading Day, the Designated Broker or a Dealer may place a subscription order for one PNU or integral multiple PNU of the Evolve ETF. If a subscription order is received by the Evolve ETF at or before the applicable cut-off time, or such other time prior to the Valuation Time on such Trading Day as the Manager may permit, and is accepted by the Manager, the Evolve ETF will generally issue to the Dealer or Designated Broker the PNU (or an integral multiple thereof) within two Trading Days from the effective date of the subscription order. The Evolve ETF must receive payment for the Units subscribed for within two Trading Days from the effective date of the subscription order. The effective date of a subscription order is the Trading Day on which the Valuation Time that applies to such subscription order takes place.

Unless the Manager shall otherwise agree or the Declaration of Trust shall otherwise provide, as payment for a PNU of the Evolve ETF, a Dealer or the Designated Broker must deliver subscription proceeds consisting of a Basket of Securities and cash in an amount sufficient so that the value of the Basket of Securities and cash delivered is equal to the NAV of the applicable PNU of the Evolve ETF determined at the Valuation Time on the effective date of the subscription order. The Manager may, in its complete discretion, instead accept subscription proceeds consisting of (i) cash only in an amount equal to the NAV of the PNU of the Evolve ETF determined at the Valuation Time on the effective date of the subscription order, plus (ii) if applicable, associated costs and expenses that the Evolve ETF incurs or expects to incur in purchasing securities on the market with such cash proceeds. See "Fees and Expenses – Administrative Fees".

The Manager may from time to time and, in any event not more than once quarterly, require the Designated Broker to subscribe for Units for cash in a dollar amount not to exceed 0.30% of the NAV of the Evolve ETF, or such other amount as may be agreed to by the Manager and the Designated Broker. The number of Units issued will be the subscription amount divided by the NAV per Unit next determined following the delivery by the Manager of a subscription notice to the Designated Broker. Payment for the Units must be made by the Designated Broker by no later than the second Trading Day after the subscription notice has been delivered.

The Manager will, except when circumstances prevent it from doing so, disclose the number of Units comprising a PNU for the Evolve ETF to applicable investors, the Designated Broker and Dealers following the close of business on each Trading Day. The Manager may, at its discretion, increase or decrease the PNU from time to time.

To Unitholders of the Evolve ETF as Distributions Paid in Units

In addition to the issuance of Units as described above, distributions may be made by way of the issuance of Units. See "Distribution Policy".

Buying and Selling Units of the Evolve ETF

The Units have been conditionally approved for listing on the NEO Exchange. Subject to satisfying the NEO Exchange's original listing requirements, the Units will be listed on the NEO Exchange and investors will be able to buy or sell such Units on the NEO Exchange through registered brokers and dealers in the province or territory where the investor resides. Investors may incur customary brokerage commissions in buying or selling Units. No fees are paid by investors to the Manager or the Evolve ETF in connection with buying or selling of Units on the NEO Exchange.

Special Considerations for Unitholders

The provisions of the so-called "early warning" requirements set out in Canadian Securities Legislation do not apply in connection with the acquisition of Units. In addition, the Evolve ETF has obtained exemptive relief from the Securities Regulatory Authorities to permit Unitholders to acquire more than 20% of the Units through purchases on the NEO Exchange without regard to the take-over bid requirements of Canadian Securities Legislation, provided that any such Unitholder, and any person acting jointly or in concert with the Unitholder, undertakes to the Manager not to vote more than 20% of the Units at any meeting of Unitholders.

Special Circumstances

Units may also be issued by the Evolve ETF to the Designated Broker in a number of special circumstances, including the following: (i) when the Manager has determined that the Evolve ETF should acquire portfolio securities; and (ii) when cash redemptions of Units occur as described below under "Exchange and Redemption of Units – Redemption of Units of the Evolve ETF for Cash", or the Evolve ETF otherwise has cash that the Manager wants to invest.

EXCHANGE AND REDEMPTION OF UNITS

Exchange of Units of the Evolve ETF at Net Asset Value per Unit for Baskets of Securities and/or Cash

Unitholders may exchange the PNU (or an integral multiple thereof) of the Evolve ETF on any Trading Day for Baskets of Securities and cash, subject to the requirement that a minimum PNU be exchanged. To effect an exchange of Units, a Unitholder must submit an exchange request in the form and at the location prescribed by the Evolve ETF from time to time at or before the applicable cut-off time on a Trading Day, or such other time prior to the Valuation Time on such Trading Day as the Manager may permit. The exchange price will be equal to the NAV of each PNU tendered for exchange determined at the Valuation Time on the effective date of the exchange request, payable by delivery of a Basket of Securities (constituted as most recently published prior to the effective date of the exchange request) and cash. The Units will be redeemed in the exchange. The Manager will also make available to Dealers and the Designated Broker the PNU to redeem Units on each Trading Day. The effective date of an exchange request is the Trading Day on which the Valuation Time that applies to such redemption request takes place.

Upon the request of a Unitholder, the Manager may, in its complete discretion, satisfy an exchange request by delivering cash only in an amount equal to the NAV of each PNU tendered for exchange determined at the Valuation Time on the effective date of the exchange request, provided that the Unitholder agrees to pay the costs and expenses that the Evolve ETF incurs or expects to incur in selling securities on the market to obtain the necessary cash for the exchange. See "Fees and Expenses – Administrative Fees".

If an exchange request is not received by the applicable cut-off time, the exchange order will be effective only on the next Trading Day. Settlement of exchanges for Baskets of Securities and/or cash will generally be made by the second Trading Day after the effective day of the exchange request.

If any securities in which the Evolve ETF has invested are cease-traded at any time by order of a Securities Regulatory Authority or other relevant regulator or stock exchange, the delivery of Baskets of Securities to a Unitholder, Dealer or the Designated Broker on an exchange in the PNU may be postponed until such time as the transfer of the Baskets of Securities is permitted by law.

As described under "Book-Entry Only System", registration of interests in, and transfers of, Units will be made only through the book-entry only system of CDS. The redemption rights described below must be exercised through the CDS Participant through which the owner holds Units. Beneficial owners of Units should ensure that they provide redemption instructions to the CDS Participant through which they hold such Units sufficiently in advance of the cut-

off times described below to allow such CDS Participant to notify CDS and for CDS to notify the Manager prior to the relevant cut-off time.

Redemption of Units of the Evolve ETF for Cash

On any Trading Day, Unitholders may redeem (i) Units for cash at a redemption price per Unit equal to 95% of the closing price of the Units on the NEO Exchange on the effective day of the redemption, subject to a maximum redemption price per Unit equal to the NAV per Unit on the effective day of redemption, less any applicable administrative fee determined by the Manager, in its sole discretion, from time to time, or (ii) a PNU of the Evolve ETF (or an integral multiple thereof) for cash equal to the NAV of that number of Units, less any applicable administrative fee determined by the Manager, in its sole discretion, from time to time. Because Unitholders will generally be able to sell Units at the market price on the NEO Exchange through a registered broker or dealer subject only to customary brokerage commissions, Unitholders are advised to consult their brokers, dealers or investment advisors before redeeming such Units for cash. No fees or expenses are paid by Unitholders to the Manager or the Evolve ETF in connection with selling Units on the NEO Exchange.

In order for a cash redemption to be effective on a Trading Day, a cash redemption request must be delivered to the Manager in the form and at the location prescribed by the Manager from time to time at or before the applicable cut-off time on such Trading Day. Any cash redemption request received after such time will be effective only on the next Trading Day. Where possible, payment of the redemption price will be made by no later than the second Trading Day after the effective day of the redemption. The cash redemption request forms may be obtained from any registered broker or Dealer.

Unitholders that have delivered a redemption request prior to the Distribution Record Date for any distribution will not be entitled to receive that distribution.

In connection with the redemption of Units, the Evolve ETF will generally dispose of securities or other financial instruments.

Suspension of Exchanges and Redemptions

The Manager may suspend the exchange or redemption of Units or payment of redemption proceeds of the Evolve ETF: (i) during any period when or on any day on which normal trading is suspended on a stock exchange or other market on which securities owned by the Evolve ETF are listed and traded, if these securities represent more than 50% by value or underlying market exposure of the total assets of the Evolve ETF, without allowance for liabilities, and if these securities are not traded on any other exchange that represents a reasonably practical alternative for the Evolve ETF; or (ii) with the prior permission of the Securities Regulatory Authorities where required, for any period not exceeding 30 days during which the Manager determines that conditions exist which render impractical the sale of assets of the Evolve ETF or which impair the ability of the Custodian to determine the value of the assets of the Evolve ETF. The suspension may apply to all requests for exchange or redemption received prior to the suspension but as to which payment has not been made, as well as to all requests received while the suspension is in effect. All Unitholders making such requests shall be advised by the Manager of the suspension and that the exchange or redemption will be effected at a price determined on the first Valuation Date following the termination of the suspension. All such Unitholders shall have and shall be advised that they have the right to withdraw their requests for exchange or redemption. The suspension shall terminate in any event on the first day on which the condition giving rise to the suspension has ceased to exist, provided that no other condition under which a suspension is authorized then exists. To the extent not inconsistent with official rules and regulations promulgated by any government body having jurisdiction over the Evolve ETF, any declaration of suspension made by the Manager shall be conclusive.

Administrative Fee

An amount as may be agreed to between the Manager and the Designated Broker or a Dealer of Units may be charged to offset certain transaction costs associated with an issue, exchange or redemption of Units. This charge does not apply to Unitholders who buy and sell their Units through the facilities of the NEO Exchange.

Allocations of Capital Gains to Redeeming or Exchanging Unitholders

Pursuant to the Declaration of Trust, the Evolve ETF may allocate and designate as payable any capital gains realized by the Evolve ETF as a result of any disposition of property of the Evolve ETF undertaken to permit or facilitate the

redemption or exchange of Units to a Unitholder whose Units are being redeemed or exchanged. In addition, the Evolve ETF has the authority to distribute, allocate and designate any capital gains of the Evolve ETF to a Unitholder who has redeemed or exchanged Units during a year in an amount equal to the Unitholder's share, at the time of redemption or exchange, of the Evolve ETF's capital gains for the year. Any such allocations and designations will reduce the redemption price otherwise payable to the redeeming or exchanging Unitholder. Provided that certain Tax Amendments contained in the March 19, 2019 Canadian federal budget are enacted as proposed, an amount so allocated and designated to a redeeming Unitholder will only be deductible to the Evolve ETF to the extent of the gain that would otherwise be realized by the Unitholder on the redemption of Units.

Book-Entry Only System

Registration of interests in, and transfers of, Units will be made only through the book-entry only system of CDS. Units must be purchased, transferred and surrendered for redemption only through a CDS Participant. All rights of an owner of Units must be exercised through, and all payments or other property to which such owner is entitled will be made or delivered by, CDS or the CDS Participant through which the owner holds such Units. Upon buying Units, the owner will receive only the customary confirmation. References in this prospectus to a holder of Units means, unless the context otherwise requires, the owner of the beneficial interest of such Units.

Neither the Evolve ETF nor the Manager will have any liability for: (i) records maintained by CDS relating to the beneficial interests in Units or the book entry accounts maintained by CDS; (ii) maintaining, supervising or reviewing any records relating to such beneficial ownership interests; or (iii) any advice or representation made or given by CDS and made or given with respect to the rules and regulations of CDS or any action taken by CDS or at the direction of the CDS Participants.

The ability of a beneficial owner of Units to pledge such Units or otherwise take action with respect to such owner's interest in such Units (other than through a CDS Participant) may be limited due to the lack of a physical certificate.

The Evolve ETF has the option to terminate registration of Units through the book-entry only system in which case certificates for Units in fully registered form will be issued to beneficial owners of such Units or to their nominees.

Short-Term Trading

Unlike conventional open-end mutual fund trusts in which short-term trading by investors may cause the mutual fund to incur additional unnecessary trading costs in connection with the purchase of additional portfolio securities and the sale of portfolio securities to fund unitholder redemptions, the Manager does not believe that it is necessary to impose any short-term trading restrictions on the Evolve ETF at this time as: (i) the Evolve ETF is an exchange traded fund that is primarily traded in the secondary market; and (ii) the few transactions involving Units that do not occur on the secondary market involve the Designated Broker and/or Dealers, who can only purchase or redeem Units in a PNU and on whom the Manager may impose an administrative fee. The administrative fee is intended to compensate the Evolve ETF for any costs and expenses incurred by the Evolve ETF in order to fund the redemption.

INCOME TAX CONSIDERATIONS

The following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations under the Tax Act generally applicable to the acquisition, holding and disposition of Units by a Unitholder who acquires Units pursuant to this prospectus. This summary only applies to a prospective Unitholder who is an individual (other than a trust) resident in Canada for purposes of the Tax Act who deals at arm's length with the Evolve ETF, the Designated Broker and the Dealers and is not affiliated with the Evolve ETF, the Designated Broker or any Dealer and who holds Units as capital property (a "**Holder**").

Generally, Units will be considered to be capital property to a Holder provided that the Holder does not hold such Units in the course of carrying on a business of buying and selling securities and has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade. Provided that the Evolve ETF qualifies as a "mutual fund trust" for purposes of the Tax Act, certain Holders who might not otherwise be considered to hold Units as capital property may, in certain circumstances, be entitled to have such Units and all other "Canadian securities" owned or subsequently acquired by them treated as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act. This summary does not apply to a Holder who has entered or will enter

into a “derivative forward agreement” as that term is defined in the Tax Act with respect to the Units or any Basket of Securities disposed of in exchange for Units.

This summary is based on the assumptions that (i) the Evolve ETF will not be subject to the tax for “SIFT trusts” for purposes of the Tax Act, (ii) none of the issuers of the securities in the portfolio of the Evolve ETF will be foreign affiliates of the Evolve ETF or of any Holder, (iii) none of the securities in the portfolio of the Evolve ETF will be a “tax shelter investment” within the meaning of section 143.2 of the Tax Act, (iv) the Evolve ETF will not enter into any arrangement where the result is a dividend rental arrangement for purposes of the Tax Act and (v) none of the securities in the portfolio of the Evolve ETF will be an offshore investment fund property (or an interest in a partnership that holds such property) that would require the Evolve ETF (or the partnership) to include significant amounts in income pursuant to section 94.1 of the Tax Act, or an interest in a trust (or a partnership which holds such an interest) which would require the Evolve ETF (or the partnership) to report significant amounts of income in connection with such interest pursuant to the rules in section 94.2 of the Tax Act, or an interest in a non-resident trust other than an “exempt foreign trust” (or a partnership which holds such interest).

This summary also assumes that the Evolve ETF will comply with its investment restriction.

This summary is based on the facts described herein, the current provisions of the Tax Act, and an understanding of the current publicly available administrative policies and assessing practices of the CRA published in writing prior to the date hereof. This summary takes into account the Tax Amendments. This description is not exhaustive of all Canadian federal income tax consequences and does not take into account or anticipate changes in the law or in administrative policy or assessing practice, whether by legislative, governmental or judicial action other than the Tax Amendments in their present form, nor does it take into account provincial, territorial or foreign tax considerations which may differ significantly from those discussed herein. There can be no assurance that the Tax Amendments will be enacted in the form publicly announced, or at all.

This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to an investment in Units. This summary does not address the deductibility of interest on any funds borrowed by a Holder to purchase Units. The income and other tax consequences of investing in Units will vary depending on an investor’s particular circumstances including the province or territory in which the investor resides or carries on business. Accordingly, this summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any holder of Units. Prospective investors should consult their own tax advisors with respect to the income tax consequences to them of an acquisition of Units based on their particular circumstances.

Status of the Evolve ETF

This summary assumes that the Evolve ETF will qualify or be deemed to qualify at all times as a “mutual fund trust” within the meaning of the Tax Act.

To qualify as a mutual fund trust (i) the Evolve ETF must be a Canadian resident “unit trust” for purposes of the Tax Act, (ii) the only undertaking of the Evolve ETF must be (a) the investing of its funds in property (other than real property or interests in real property or an immovable or a real right in an immovable), (b) the acquiring, holding, maintaining, improving, leasing or managing of any real property (or interest in real property) or of any immovable (or real right in immovables) that is capital property of the Evolve ETF, or (c) any combination of the activities described in (a) and (b), and (iii) the Evolve ETF must comply with certain minimum requirements respecting the ownership and dispersal of Units (the “**Minimum Distribution Requirements**”). In addition, the Evolve ETF cannot at any time reasonably be considered to have been established and/or maintained primarily for the benefit of non-residents unless, at that time, substantially all of its property consists of property other than property that would be “taxable Canadian property” within the meaning of the Tax Act (if the definition of such term were read without reference to paragraph (b) of that definition).

In this connection, (i) the Manager intends to cause the Evolve ETF to qualify as a unit trust throughout the life of the Evolve ETF, (ii) the Evolve ETF’s undertaking conforms with the restrictions for mutual fund trusts, and (iii) the Manager intends to file the necessary election so that the Evolve ETF will qualify as a mutual fund trust from its inception in 2019 and the Manager has no reason to believe that the Evolve ETF will not comply with the Minimum Distribution Requirements before the 91st day after the end of its first taxation year (determined without regard to any taxation year-end that may be deemed to occur for other purposes under the rules in the Tax Act relating to “loss restriction events”) and at all times thereafter, thereby permitting the filing by the Evolve ETF of such election.

If the Evolve ETF were not to qualify or be deemed to qualify as a mutual fund trust at all times, the income tax considerations described below would, in some respects, be materially and adversely different.

Provided that the Evolve ETF qualifies as a “mutual fund trust” within the meaning of the Tax Act, or the Units are listed on a “designated stock exchange” (which includes the NEO Exchange) within the meaning of the Tax Act, Units will be qualified investments under the Tax Act for a trust governed by an RRSP, a RRIF, a DPSP, an RDSP, an RESP or a TFSA (the “Plans”). See “Income Tax Considerations – Taxation of Registered Plans” for the consequences of holding Units in Plans.

Taxation of the Evolve ETF

The Evolve ETF will elect to have a taxation year that ends on December 15 of each calendar year. The Evolve ETF must pay tax on its net income (including net realized taxable capital gains) for a taxation year, less the portion thereof that it deducts in respect of the amount paid or payable to its Unitholders in the calendar year in which the taxation year ends. An amount will be considered to be payable to a Unitholder in a calendar year if it is paid to the Unitholder in that year by the Evolve ETF or if the Unitholder is entitled in that year to enforce payment of the amount. The Declaration of Trust requires that sufficient amounts be paid or made payable each year so that the Evolve ETF is not liable for any non-refundable income tax under Part I of the Tax Act.

The Evolve ETF will be required to include in its income for each taxation year any dividends received (or deemed to be received) by it in such year on a security held in its portfolio.

To the extent the Evolve ETF holds trust units issued by a trust resident in Canada that is not at any time in the relevant taxation year a “SIFT trust” and held as capital property for purposes of the Tax Act, the Evolve ETF will be required to include in the calculation of its income for a taxation year the net income, including net taxable capital gains, paid or payable to the Evolve ETF by such trust in the calendar year in which that taxation year ends, notwithstanding that certain of such amounts may be reinvested in additional units of the trust. Provided that appropriate designations are made by such trust, net taxable capital gains realized by the trust, foreign source income of the trust and taxable dividends from taxable Canadian corporations received by the trust that are paid or payable by the trust to the Evolve ETF will effectively retain their character in the hands of the Evolve ETF. The Evolve ETF will be required to reduce the adjusted cost base of units of such trust by any amount paid or payable by the trust to the Evolve ETF except to the extent that the amount was included in calculating the income of the Evolve ETF or was the Evolve ETF’s share of the non-taxable portion of capital gains of the trust, the taxable portion of which was designated in respect of the Evolve ETF. If the adjusted cost base to the Evolve ETF of such units becomes a negative amount at any time in a taxation year of the Evolve ETF, that negative amount will be deemed to be a capital gain realized by the Evolve ETF in that taxation year and the Evolve ETF’s adjusted cost base of such units will be increased by the amount of such deemed capital gain to zero.

Each issuer in the Evolve ETF’s portfolio that is a “SIFT trust” (which will generally include Canadian resident income trusts, other than certain real estate investment trusts, the units of which are listed or traded on a stock exchange or other public market) will be subject to a special tax in respect of (i) income from business carried on in Canada, and (ii) certain income and capital gains in respect of “non-portfolio properties” (collectively, “**Non-Portfolio Income**”). Non-Portfolio Income that is distributed by a SIFT trust to its unitholders will be taxed at a rate that is equivalent to the federal general corporate tax rate plus a prescribed amount on account of provincial tax. Non-Portfolio Income that becomes payable by an issuer that is a SIFT trust will generally be taxed as though it were a taxable dividend from a taxable Canadian corporation and will be deemed to be an “eligible dividend” eligible for the enhanced gross-up and tax credit rules.

In general, the Evolve ETF will realize a capital gain (or capital loss) upon the actual or deemed disposition of a security included in its portfolio to the extent the proceeds of disposition net of any reasonable costs of disposition exceed (or are less than) the adjusted cost base of such security unless the Evolve ETF were considered to be trading or dealing in securities or otherwise carrying on a business of buying and selling securities or the Evolve ETF has acquired the security in a transaction or transactions considered to be an adventure or concern in the nature of trade. The Evolve ETF will purchase the securities in its portfolio with the objective of receiving dividends and other distributions thereon and will take the position that gains and losses realized on the disposition of its securities are capital gains and capital losses. The Evolve ETF will make an election under subsection 39(4) of the Tax Act, if applicable, so that all securities held by the Evolve ETF that are “Canadian securities” (as defined in the Tax Act) will be deemed to be capital property to the Evolve ETF.

The Evolve ETF will be entitled for each taxation year throughout which it is a mutual fund trust for purposes of the Tax Act to reduce (or receive a refund in respect of) its liability, if any, for tax on its net realized capital gains by an amount determined under the Tax Act based on the redemptions of Units during the year (the “**Capital Gains Refund**”). The Capital Gains Refund in a particular taxation year may not completely offset the tax liability of the Evolve ETF for such taxation year which may arise upon the sale or other disposition of securities included in the portfolio in connection with the redemption of Units.

In general, gains and losses realized by the Evolve ETF from Derivative transactions will be on income account except where such Derivatives are used to hedge portfolio securities held on capital account provided there is sufficient linkage, subject to the DFA Rules discussed below, and such gains and losses will be recognized for tax purposes at the time they are realized by the Evolve ETF.

A loss realized by the Evolve ETF on a disposition of capital property will be a suspended loss for purposes of the Tax Act if the Evolve ETF, or a person affiliated with the Evolve ETF, acquires a property (a “**Substituted Property**”) that is the same as or identical to the property disposed of, within 30 days before and 30 days after the disposition and the Evolve ETF, or a person affiliated with the Evolve ETF, owns the Substituted Property 30 days after the original disposition. If a loss is suspended, the Evolve ETF cannot deduct the loss from the Evolve ETF’s capital gains until the Substituted Property is disposed of and is not reacquired by the Evolve ETF, or a person affiliated with the Evolve ETF, within 30 days before and after the disposition.

The Evolve ETF may enter into transactions denominated in currencies other than the Canadian dollar including the acquisition of securities in its portfolio. The cost and proceeds of disposition of securities, dividends, distributions and all other amounts will be determined for the purposes of the Tax Act in Canadian dollars using the appropriate exchange rates determined in accordance with the detailed rules in the Tax Act in that regard. The amount of income, gains and losses realized by the Evolve ETF may be affected by fluctuations in the value of other currencies relative to the Canadian dollar. Gains or losses in respect of currency hedges entered into in respect of amounts invested in the portfolio of the Evolve ETF will constitute capital gains and capital losses to the Evolve ETF if the securities in the Evolve ETF’s portfolio are capital property to the Evolve ETF and provided there is sufficient linkage.

The DFA Rules target certain financial arrangements (described in the DFA Rules as “derivative forward agreements”) that seek to deliver a return based on an “underlying interest” (other than certain excluded underlying interests) for purposes of the DFA Rules. The DFA Rules are broad in scope and could apply to other agreements or transactions. If the DFA Rules were to apply in respect of any Derivatives to be utilized by the Evolve ETF, gains realized in respect of the property underlying such Derivatives could be treated as ordinary income rather than capital gains.

The Evolve ETF may derive income or gains from investments in countries other than Canada, and as a result, may be liable to pay income or profits tax to such countries. To the extent that such foreign tax paid by the Evolve ETF exceeds 15% of the amount included in the Evolve ETF’s income from such investments, such excess may generally be deducted by the Evolve ETF in computing its net income for the purposes of the Tax Act. To the extent that such foreign tax paid does not exceed 15% of the amount included in the Evolve ETF’s income from such investments and has not been deducted in computing the Evolve ETF’s income, the Evolve ETF may designate in respect of a Holder a portion of its foreign source income that can reasonably be considered to be part of the Evolve ETF’s income distributed to such Holder so that such income and a portion of the foreign tax paid by the Evolve ETF may be regarded as foreign source income of, and foreign tax paid by, the Holder for the purposes of the foreign tax credit provisions of the Tax Act.

The Evolve ETF will be entitled to deduct an amount equal to the reasonable expenses that it incurs in the course of issuing Units. Such issue expenses paid by the Evolve ETF and not reimbursed will be deductible by the Evolve ETF ratably over a five-year period subject to reduction in any taxation year which is less than 365 days. In computing its income under the Tax Act, the Evolve ETF may deduct reasonable administrative and other expenses incurred to earn income.

Losses incurred by the Evolve ETF in a taxation year cannot be allocated to Holders, but may be deducted by the Evolve ETF in future years in accordance with the Tax Act.

Taxation of Holders

A Holder will generally be required to include in computing income for a particular taxation year of the Holder such portion of the net income of the Evolve ETF, including the taxable portion of any net realized capital gains, as is paid or becomes payable to the Holder in that particular taxation year (whether in cash, in Units or reinvested in additional

Units or whether as a Management Fee Distribution). Amounts paid or payable by the Evolve ETF to a Holder after December 15 and before the end of the calendar year are deemed to have been paid or become payable to the Holder on December 15.

Under the Tax Act, the Evolve ETF is permitted to deduct in computing its income for a taxation year an amount that is less than the amount of its distributions of income for the calendar year to the extent necessary to enable the Evolve ETF to use, in that taxation year, losses from prior years without affecting the ability of the Evolve ETF to distribute its income annually. In such circumstances, the amount distributed to a Holder of the Evolve ETF but not deducted by the Evolve ETF will not be included in the Holder's income. However, the adjusted cost base of the Holder's Units will be reduced by such amount. The non-taxable portion of the Evolve ETF's net realized capital gains for a taxation year, the taxable portion of which was designated in respect of a Holder for the taxation year, that is paid or becomes payable to the Holder for the year will not be included in computing the Holder's income for the year. Any other amount in excess of a Holder's share of the net income of the Evolve ETF for a taxation year that is paid or becomes payable to the Holder for the year (i.e. returns of capital) will not generally be included in the Holder's income for the year, but will reduce the adjusted cost base of the Holder's Units. To the extent that the adjusted cost base of a Unit to a Holder would otherwise be a negative amount, the negative amount will be deemed to be a capital gain and the adjusted cost base of the Unit to the Holder will be increased by the amount of such deemed capital gain to zero.

Provided that appropriate designations are made by the Evolve ETF, such portion of the net realized taxable capital gains of the Evolve ETF, the taxable dividends received or deemed to be received by the Evolve ETF on shares of taxable Canadian corporations and foreign source income of the Evolve ETF as is paid or becomes payable to a Holder will effectively retain its character and be treated as such in the hands of the Holder for purposes of the Tax Act. To the extent that amounts are designated as taxable dividends from taxable Canadian corporations, the gross-up and dividend tax credit rules will apply. Where the Evolve ETF makes designations in respect of its foreign source income, for the purpose of computing any foreign tax credit that may be available to a Holder, the Holder will generally be deemed to have paid as tax to the government of a foreign country that portion of taxes paid by the Evolve ETF to that country that is equal to the Holder's share of the Evolve ETF's income from sources in that country.

Any loss of the Evolve ETF for purposes of the Tax Act cannot be allocated to, and cannot be treated as a loss of, a Holder.

On the disposition or deemed disposition of a Unit, including on a redemption, a Holder will realize a capital gain (or capital loss) to the extent that the Holder's proceeds of disposition (other than any amount payable by the Evolve ETF which represents capital gains allocated and designated to the redeeming Holder), net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of the Unit. For the purpose of determining the adjusted cost base of a Holder's Units, when additional Units are acquired by the Holder (as a result of a distribution by the Evolve ETF in the form of Units, a reinvestment in Units pursuant to the distribution reinvestment plan or otherwise), the cost of the newly acquired Units will be averaged with the adjusted cost base of all Units owned by the Holder as capital property immediately before that time. For this purpose, the cost of Units that have been issued on a distribution will generally be equal to the amount of the distribution. A consolidation of Units following a distribution paid in the form of additional Units as described under "Distribution Policy" will not be regarded as a disposition of Units and will not affect the aggregate adjusted cost base to a Holder. Any additional Units acquired by a Holder on the reinvestment of distributions will generally have a cost equal to the amount reinvested.

In the case of an exchange of Units for a Basket of Securities, a Holder's proceeds of disposition of Units would generally be equal to the aggregate of the fair market value of the distributed property and the amount of any cash received, less any capital gain realized by the Evolve ETF on the disposition of such distributed property. The cost to a Holder of any property received from the Evolve ETF upon the exchange will generally be equal to the fair market value of such property at the time of the distribution. In the case of an exchange of Units for a Basket of Securities, the investor may receive securities that may or may not be qualified investments under the Tax Act for Plans. If such securities are not qualified investments for Plans, such Plans (and, in the case of certain Plans, the annuitants, beneficiaries or subscribers thereunder or holders thereof) may be subject to adverse tax consequences. Investors should consult their own tax counsel for advice on whether or not such securities would be qualified investments for Plans.

Pursuant to the Declaration of Trust, the Evolve ETF may allocate and designate as payable any capital gains realized by the Evolve ETF as a result of any disposition of property of the Evolve ETF undertaken to permit or facilitate the redemption or exchange of Units to a Holder whose Units are being redeemed or exchanged. In addition, the Evolve ETF has the authority to distribute, allocate and designate any capital gains of the Evolve ETF to a Holder who has

redeemed or exchanged Units during a year in an amount equal to the Holder's share, at the time of redemption or exchange, of the Evolve ETF's capital gains for the year. Any such allocations and designations will reduce the redemption price otherwise payable to the Holder and therefore the Holder's proceeds of disposition. Provided that certain Tax Amendments contained in the March 19, 2019 Canadian federal budget are enacted as proposed, an amount so allocated and designated to a redeeming Unitholder will only be deductible to the Evolve ETF to the extent of the gain that would otherwise be realized by the Unitholder on the redemption of Units.

In general, one-half of any capital gain (a "**taxable capital gain**") realized by a Holder on the disposition of Units or a taxable capital gain designated by the Evolve ETF in respect of the Holder for a taxation year of the Holder will be included in computing the Holder's income for that year and one-half of any capital loss (an "**allowable capital loss**") realized by the Holder in a taxation year of the Holder generally must be deducted from taxable capital gains realized by the Holder in the taxation year or designated by the Evolve ETF in respect of the Holder for the taxation year in accordance with the detailed provisions of the Tax Act. Allowable capital losses for a taxation year in excess of taxable capital gains for that taxation year may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against taxable capital gains in accordance with the provisions of the Tax Act.

Each Holder who delivers subscription proceeds consisting of a Basket of Securities will be disposing of securities in exchange for Units. Assuming that such securities are held by the Holder as capital property for purposes of the Tax Act, the Holder will generally realize a capital gain (or a capital loss) in the taxation year of the Holder in which the disposition of such securities takes place to the extent that the proceeds of disposition for such securities, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of such securities to the Holder. For this purpose, the proceeds of disposition to the Holder of securities disposed of will equal the aggregate of the fair market value of the Units received for the securities. The cost to a Holder of Units acquired in exchange for a Basket of Securities and cash (if any) will be equal to the aggregate of the cash paid (if any) to the Evolve ETF plus the fair market value of the securities disposed of in exchange for Units at the time of disposition, which sum would generally be equal to or would approximate the fair market value of the Units received as consideration in exchange for a Basket of Securities and cash (if any).

Amounts designated by the Evolve ETF to a Holder as taxable capital gains or dividends from taxable Canadian corporations, and taxable capital gains realized on the disposition of Units may increase the Holder's liability, if any, for alternative minimum tax.

Taxation of Registered Plans

Distributions received by Plans on Units and capital gains realized by Plans on the disposition of Units are generally not taxable under Part I of the Tax Act provided the Units are "qualified investments" for the Plan for purposes of the Tax Act.

Holders should consult with their own advisors regarding the tax implications of establishing, amending, terminating or withdrawing amounts from a Plan.

Notwithstanding the foregoing, the holder of a TFSA or RDSP, the annuitant of an RRSP or RRIF or the subscriber of an RESP will be subject to a penalty tax in respect of Units held by such Plan if such Units are a "prohibited investment" for such Plan for the purposes of the Tax Act. The Units will not be a "prohibited investment" for a trust governed by such a Plan unless the holder of the TFSA or RDSP, the annuitant of the RRSP or RRIF or the subscriber of the RESP, as applicable, (i) does not deal at arm's length with the Evolve ETF for purposes of the Tax Act, or (ii) has a "significant interest" as defined in the Tax Act in the Evolve ETF. Generally, a holder, annuitant or subscriber, as the case may be, will not have a significant interest in the Evolve ETF unless the holder, annuitant or subscriber, as the case may be, owns interests as a beneficiary under the Evolve ETF that have a fair market value of 10% or more of the fair market value of the interests of all beneficiaries under the Evolve ETF, either alone or together with persons and partnerships with which the holder, annuitant or subscriber, as the case may be, does not deal at arm's length. In addition, the Units will not be a prohibited investment if such Units are "excluded property" as defined in the Tax Act for a trust governed by a TFSA, RDSP, RRSP, RRIF or RESP.

Holders, annuitants or subscribers should consult their own tax advisors with respect to whether Units would be prohibited investments, including with respect to whether such Units would be excluded property.

Tax Implications of the Evolve ETF's Distribution Policy

The NAV per Unit of the Evolve ETF will, in part, reflect any income and gains of the Evolve ETF that have accrued or have been realized, but have not been made payable at the time Units were acquired. Accordingly, a Holder who acquires Units, including on a distribution of Units or on a reinvestment in Units, may become taxable on the Holder's share of such income and gains of the Evolve ETF. In particular, an investor who acquires Units at any time in the year but prior to a distribution being paid or made payable will have to pay tax on the entire distribution (to the extent it is a taxable distribution) notwithstanding that such amounts may have been reflected in the price paid by the Holder for the Units. Further, where a Holder acquires Units in a calendar year after December 15 of such year, such Holder may become taxable on income earned or capital gains realized in the taxation year ending on December 15 of such calendar year but that had not been made payable before the Units were acquired.

ORGANIZATION AND MANAGEMENT DETAILS OF THE EVOLVE ETF

Manager

EFG will be the trustee, manager, promoter and portfolio manager of the Evolve ETF and will be responsible for the administration of the Evolve ETF. In its capacity as portfolio manager, EFG is responsible for the oversight and provision of investment advisory services to the Evolve ETF.

The Manager is registered as an investment fund manager and portfolio manager with the applicable Securities Regulatory Authorities in Canada. The registered office of the Evolve ETF and the Manager is located at 161 Bay Street, Suite 2700, Toronto, ON M5J 2S1.

The Manager will perform or arrange for the performance of management services for the Evolve ETF and will be responsible for the administration of the Evolve ETF. The Manager is entitled to fees for its services as manager under the Declaration of Trust as described under "Fees and Expenses" and will be reimbursed for all reasonable costs and expenses incurred by the Manager on behalf of the Evolve ETF.

Duties and Services to be provided by the Manager

Pursuant to the Declaration of Trust, the Manager has full authority and responsibility to manage and direct the business and affairs of the Evolve ETF, to make all decisions regarding the business of the Evolve ETF and to bind the Evolve ETF. The Manager may delegate certain of its powers to third parties where, in the discretion of the Manager, it would be in the best interests of the Evolve ETF to do so.

The Manager is responsible for providing, or causing to be provided, management, administrative and portfolio advisory and investment management services to the Evolve ETF. The Manager's duties include, without limitation:

- (i) negotiating contracts with certain third-party service providers, including but not limited to investment managers, sub-advisors, custodians, registrars, transfer agents, auditors and printers;
- (ii) authorizing the payment of operating expenses incurred on behalf of the Evolve ETF;
- (iii) maintaining accounting records;
- (iv) preparing the reports to Unitholders and to the applicable Securities Regulatory Authorities;
- (v) calculating the amount and determining the frequency of distributions by the Evolve ETF;
- (vi) preparing financial statements, income tax returns and financial and accounting information as required;
- (vii) ensuring that Unitholders are provided with financial statements and other reports as are required from time to time by applicable law;
- (viii) ensuring that the Evolve ETF complies with all other regulatory requirements including continuous disclosure obligations under applicable securities laws;
- (ix) administering purchases, redemptions and other transactions in Units;
- (x) arranging for any payments required upon termination of the Evolve ETF;
- (xi) dealing and communicating with Unitholders;

- (xii) providing office facilities and personnel to carry out these services, if not otherwise furnished by any other service provider to the Evolve ETF;
- (xiii) monitoring the investment strategy of the Evolve ETF to ensure that the Evolve ETF complies with its investment objective, investment strategies and investment restrictions and practices; and
- (xiv) facilitating the execution of orders and investment recommendations provided by sub-advisors where required.

The Manager is required to exercise its powers and discharge its duties honestly, in good faith and in the best interests of the Unitholders, and to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. The Declaration of Trust provides that the Manager will not be liable to the Evolve ETF or to any Unitholder or any other person for any loss or damage relating to any matter regarding the Evolve ETF, including any loss or diminution of value of the assets of the Evolve ETF if it has satisfied its standard of care set forth above.

The administration and management services of the Manager under the Declaration of Trust are not exclusive and nothing in the Declaration of Trust prevents the Manager from providing similar administrative and management services to other investment funds and other clients (whether or not their investment objectives and policies are similar to those of the Evolve ETF) or from engaging in other activities.

The Manager and each of its directors, officers, employees and agents may be indemnified out of the assets of the Evolve ETF from and against all claims whatsoever, including costs, charges and expenses in connection therewith, brought, commenced or prosecuted against it for or in respect of any act, deed, matter or thing whatsoever made, done or omitted in or in relation to the execution of its duties to the Evolve ETF as long as the person acted honestly and in good faith with a view to the best interests of the Evolve ETF.

The Manager may resign upon 90 days' prior written notice to the Trustee or upon such lesser notice period as the Trustee may accept. The Manager may also be removed by the Trustee on at least 90 days' written notice to the Manager. The Manager is deemed to have resigned if the Manager ceases to (i) be resident in Canada for the purposes of the Tax Act; or (ii) carry out its functions of managing the Evolve ETF in Canada. The Trustee shall make every effort to select and appoint a successor manager prior to the effective date of the Manager's resignation.

Officers and Directors of the Manager

The name and municipality of residence of each of the directors and executive officers of the Manager and their principal occupations are as follows:

Name and Municipality of Residence

RAJ LALA
Toronto, Ontario

Position with the Manager and Principal Occupation

President, Chief Executive Officer, Director and Ultimate Designated Person, EFG

Prior to founding EFG, Raj Lala served as Head of WisdomTree Canada – a division of WisdomTree Investments Inc., one of the world's largest ETF issuers. Prior to this, Mr. Lala was Executive Vice President and Head of Retail Markets for Fiera Capital Corporation, a prominent Canadian investment management firm with over \$100 billion in assets under management. Mr. Lala co-founded and served as President and CEO of Propel Capital Corporation (which was acquired by Fiera Capital Corporation in September 2014). Propel raised approximately \$1 billion in structured products in its five years of operation. Prior to Propel, Mr. Lala worked with Jovian Capital. Mr. Lala held several roles at Jovian including President of JovFunds Inc., an asset management division of Jovian Capital. Mr. Lala holds a Bachelor's degree in Economics from the University of Toronto (1994).

MICHAEL SIMONETTA

Chairman, Chief Financial Officer and Director, EFG

***Name and Municipality of
Residence***

Toronto, Ontario

Position with the Manager and Principal Occupation

Mr. Simonetta has a broad background in management, investment and capital markets. Mr. Simonetta was one of the founding partners of First Asset Management Inc. (“FAMI”), and served as President and CEO of FAMI from 1997 to 2006. At the time FAMI was sold in 2005, FAMI managed in excess of \$30 billion in assets and was one of Canada’s top ten largest companies in the pension and high net worth asset management business. FAMI’s affiliates have included: Beutel, Goodman & Company Ltd.; Foyston Gordon & Payne, Inc.; Deans Knight Capital Management Ltd., Montrusco Bolton Investments Inc.; Covington Capital Corporation; First Asset Funds Inc. (formerly Triax Capital Corporation); and Northwest Mutual Funds Inc. FAMI was sold in 2005 to Affiliated Managers Group, Inc. (NYSE: AMG), a publicly listed investment management company based in Boston. Mr. Simonetta is a member of the Institute of Chartered Accountants of Ontario, obtaining his C.A. designation in 1984 while achieving Top 20 Honour Roll standing, and holds a Bachelor of Arts from the University of Waterloo (1983 – Gold Medal).

ELLIOT JOHNSON
TORONTO, ONTARIO

Chief Investment Officer, Chief Operating Officer, Chief Compliance Officer, Corporate Secretary and Director, EFG

Prior to joining EFG, Mr. Johnson was Senior Vice President, Retail Markets at Fiera Capital Corporation, a prominent Canadian investment management firm. Prior to this role, Mr. Johnson served as Chief Operating Officer of Fiera Quantum Limited Partnership, an alternative investment manager. From 2010 to 2012, Mr. Johnson led technology management for a number of business lines at National Bank of Canada. Prior to 2012 he spent 13 years at GMP Capital Corp. in a variety of management roles across institutional brokerage, wealth management and asset management businesses. Mr. Johnson holds the Canadian Investment Manager (CIM) designation, the Derivatives Markets Specialist (DMS) designation and is a Fellow of the Canadian Securities Institute (FCSI). Mr. Johnson serves as a trustee on the boards of the Upper Canada College Foundation, and Trinity College at the University of Toronto where he is Chair of the Committee on Investments.

KEITH CRONE
Toronto, Ontario

Executive Vice President, Head of Marketing and Director, EFG

Prior to joining EFG, Mr. Crone served as Vice President, Retail Markets at Fiera Capital Corporation, a prominent Canadian investment management firm with over \$100 billion in assets under management. Mr. Crone served as Vice President and Partner of Propel Capital Corporation (which was acquired by Fiera Capital Corporation in September 2014). Propel raised approximately \$1 billion in structured products in its five years of operation. Prior to Propel, Mr. Crone served as Senior Vice President, Sales within JovFunds Inc., the specialty investment arm of Jovian Capital Corporation. Prior to 2005, Mr. Crone served in various sales and marketing capacities at Dynamic Funds, which is now a wholly-owned subsidiary of Scotiabank.

Brokerage Arrangements

The Manager may utilize various brokers to effect securities transactions on behalf of the Evolve ETF. These brokers may directly provide the Manager with research and related services, in addition to executing transactions. The Manager will monitor and evaluate the execution performance of its brokers with a view to determining whether steps should be taken to improve the quality of trade execution. When determining whether a broker should be added to the

Manager's list of approved brokers, there are numerous factors that are considered including transaction cost, value of research, type and size of an order, speed and certainty of execution, responsiveness and trade matching quality.

Approved brokers will be monitored on a regular basis to ensure that the value of the goods and services, as outlined above, provides a reasonable benefit as compared to the amount of brokerage commissions paid for the goods and services.

Conflicts of Interest

The administration, management and investment advisory services of the Manager are not exclusive and nothing in the Declaration of Trust prevents the Manager from providing similar services to other investment funds and other clients (whether or not their investment objectives and policies are similar to those of the Evolve ETF) or from engaging in other activities.

Investments in securities purchased by the Manager on behalf of the Evolve ETF and other investment funds managed by the Manager will be allocated to the Evolve ETF and such other investment funds on a fair and equitable basis according to the size of the order and the applicable investment restrictions and policies of the Evolve ETF and the other investment funds.

When it is determined that it would be appropriate for the Evolve ETF and one or more other investment accounts managed by the Manager or its affiliates to participate in an investment opportunity, the Manager will seek to make such investments for all of the participating investment accounts, including the Evolve ETF, on an equitable basis, taking into account such factors as the relative amounts of capital available for new investments and the investment programs and portfolio positions of the Evolve ETF and the affiliated entities for which participation is appropriate. Orders may be combined for all such accounts, and if any order is not filled at the same price, they may be allocated on an average price basis. Similarly, if an investment for the account of more than one account cannot be fully executed under prevailing market conditions, investments may be allocated among the different accounts on a basis which the Manager or its affiliates consider equitable. The Manager may recommend that the Evolve ETF sell a security, while not recommending such sale for other accounts in order to enable the Evolve ETF to have sufficient liquidity to honor Unitholders' repurchase requests.

The Declaration of Trust acknowledges that the Manager may provide services to the Evolve ETF in other capacities, provided that the terms of any such arrangement are no less favourable to the Evolve ETF than those that would be obtained from parties that are at arm's length for comparable services.

The Manager may at times have interests that differ from the interests of the Unitholders. Where the Manager or its respective affiliates otherwise perceive in the course of business, that they are or may be in a material conflict of interest position, the matter will be referred to the IRC. The IRC will consider all matters referred to it and provide its recommendations to the Manager as soon as possible. In evaluating these conflicts of interest, potential investors should be aware that the Manager has a responsibility to the Unitholders to exercise good faith and fairness in all dealings affecting the Evolve ETF. In the event that a Unitholder believes that the Manager has violated its duty to such Unitholder, the Unitholder may seek relief for itself or on behalf of the Evolve ETF to recover damages from or to require an accounting by the Manager. Unitholders should be aware that the performance by the Manager of its responsibilities to the Evolve ETF will be measured in accordance with (i) the provisions of the agreement by which the Manager have been appointed to its position with the Evolve ETF; and (ii) applicable laws.

Neither the Designated Broker nor any Dealer has been involved in the preparation of this prospectus or has performed any review of the contents of this prospectus and, as such, the Designated Broker and the Dealers do not perform many of the usual underwriting activities in connection with the distribution by the Evolve ETF of its Units under this prospectus. Units do not represent an interest or an obligation of the Designated Broker, any Dealer or any affiliate thereof and a Unitholder does not have any recourse against any such parties in respect of amounts payable by the Evolve ETF to the Designated Broker or applicable Dealers.

A registered dealer acts as the Designated Broker and one or more registered dealers acts or may act as a Dealer and/or a market maker. These relationships may create actual or perceived conflicts of interest that investors should consider in relation to an investment in the Evolve ETF. In particular, by virtue of these relationships, these registered dealers may profit from the sale and trading of Units. The Designated Broker, as market maker of the Evolve ETF in the secondary market, may therefore have economic interests that differ from, and may be adverse to, those of Unitholders. Any such registered dealer and its affiliates may, at present or in the future, engage in business with the Evolve ETF, with the issuers of securities making up the investment portfolio of the Evolve ETF or with the Manager or any funds

sponsored by the Manager or its affiliates, including by making loans, entering into Derivative transactions or providing advisory or agency services to the Manager or its affiliates. In addition, the relationship between any such registered dealer and its affiliates and the Manager and its affiliates may extend to other activities, such as being part of a distribution syndicate for other funds sponsored by the Manager or its affiliates.

See also “Other Material Facts”.

Independent Review Committee

As required by NI 81-107, the Manager has established an IRC to review all conflicts of interest matters identified and referred to the IRC by the Manager relating to the Evolve ETF. The IRC reviews and gives its approval or recommendations as to the conflict of interests matters referred to it. A conflict of interest matter is a situation where a reasonable person would consider the Manager or an entity related to the Manager to have an interest that conflicts with the Manager’s ability to act in good faith and in the best interest of the Evolve ETF. The IRC is also required to approve certain reorganizations involving the Evolve ETF and any change of the auditors of the Evolve ETF.

The IRC is made up of members who are independent. The Manager considers that an individual is independent if the individual is not a director, officer or employee of any of the Manager or an affiliate of the Manager for at least 5 years. In addition, the individual must be independent of management and free from any interest and any business or other relationship that could, or could reasonably be perceived to, materially interfere with the individual’s ability to act with the view to the best interest of the Evolve ETF.

The members of the IRC are Kevin Drynan (Chair), Rod McIsaac and Mark Leung.

The IRC has a written charter that sets out its powers, duties and responsibilities. Additionally, pursuant to NI 81-107, the IRC assesses, at least annually, the adequacy and effectiveness of the following: the Manager’s policies and procedures regarding conflict of interest matters; any standing instructions that the IRC gave to the Manager for conflict of interest matters related to the Evolve ETF; the compliance of the Manager and the Evolve ETF with any conditions imposed by the IRC on a recommendation or approval it has provided to the Manager; the independence and compensation of its members; the IRC’s effectiveness as a committee; and the contribution of each member to the IRC.

The IRC prepares a report for Unitholders, at least annually, of its activities. Such report is made available on the Manager’s website at www.evolveetfs.com or, at the request of a Unitholder and at no cost, by calling the Manager at (416)-214-4884 or toll-free at 1-844-370-4884 or by sending an email request to info@evolveetfs.com.

The members of the IRC are paid an annual fee for serving on the IRC of the investment funds in the Evolve ETF. Each investment fund, including the Evolve ETF, is responsible for a portion of that fee, which is allocated by the Manager among the various funds. Currently, annual fees are payable to the following members of the IRC as follows: Kevin Drynan (Chair, \$3,000), Rod McIsaac (\$2,250) and Mark Leung (\$2,250). In addition to the annual fee, each IRC member will receive an additional \$2,000 for each additional meeting held after the first two meetings in any year.

The investment funds in the EFG family of ETFs all share the same IRC. Fees and expenses of the IRC are borne and shared by all of the investment funds in the EFG family of ETFs.

Trustee

Pursuant to the Declaration of Trust, the Manager is also the trustee of the Evolve ETF. The Trustee may resign upon 90 days’ notice to Unitholders and the Manager. The Trustee must be removed if the Trustee ceases to (i) be resident in Canada for purposes of the Tax Act; (ii) carry out its function of managing the Evolve ETF in Canada; or (iii) exercise the main powers and discretions of the Trustee in respect of the Evolve ETF in Canada. If the Trustee resigns or if it becomes incapable of acting as trustee, the Trustee may appoint a successor trustee prior to its resignation, and its resignation shall become effective upon the acceptance of such appointment by its successor. If no successor has been appointed within 90 days after the Trustee has provided the Manager with 90 days’ notice of its intention to resign, the Evolve ETF will be terminated, and the property of the Evolve ETF shall be distributed in accordance with the terms of the Declaration of Trust.

The Declaration of Trust provides that the Trustee shall act honestly, in good faith and in the best interests of the Evolve ETF and shall perform its duties to the standard of care that a reasonably prudent person would exercise in the

circumstances. In addition, the Declaration of Trust contains other customary provisions limiting the liability of the Trustee and indemnifying the Trustee in respect of certain liabilities incurred by it in carrying out the Trustee's duties.

At any time during which the Manager is the trustee, the Manager will receive no fee in respect of the provision of services as trustee.

Custodian

CIBC Mellon Trust Company, at its principal office in Toronto, Ontario, is custodian of the assets of the Evolve ETF pursuant to the Custodian Agreement. The Custodian has appointed qualified foreign sub-custodians in each jurisdiction in which the Evolve ETF has securities. The Manager or the Custodian may terminate the Custodian Agreement at any time upon ninety (90) days' written notice.

The Custodian is entitled to receive fees from the Manager as described under "Fees and Expenses" and to be reimbursed for all expenses and liabilities that are properly incurred by the Custodian in connection with the activities of the Evolve ETF.

Auditors

The auditors of the Evolve ETF are Ernst & Young LLP located at its principal offices in Toronto, Ontario. The auditors of the Evolve ETF may not be changed unless the IRC has approved the change and Unitholders have received at least 60 days' notice before the effective date of the change, or as otherwise required by Canadian Securities Legislation.

Registrar and Transfer Agent

TSX Trust Company, at its principal offices in Toronto, Ontario, is the Registrar and Transfer Agent for the Evolve ETF pursuant to a registrar and transfer agency agreement entered into as of the date of the initial issuance of Units.

Fund Administrator

CIBC Mellon Global Securities Services Company, at its principal offices in Toronto, Ontario, is the Fund Administrator. The Fund Administrator is responsible for certain aspects of the day-to-day administration of the Evolve ETF, including NAV calculations, accounting for net income and net realized capital gains of the Evolve ETF and maintaining books and records with respect to the Evolve ETF.

Securities Lending Agent

Canadian Imperial Bank of Commerce may act as the securities lending agent for the Evolve ETF pursuant to a securities lending authorization agreement (a "**Securities Lending Agreement**") to be entered into between the securities lending agent, EFG, in its capacity as manager of the Evolve ETF, and Canadian Imperial Bank of Commerce. The Lending Agent is not affiliates or associates of the Manager. The Manager or the Lending Agent may terminate the Securities Lending Agreement upon thirty (30) days' written notice to the other parties at any time.

Under the Securities Lending Agreement, the collateral posted by a securities borrower to the Evolve ETF will be required to have an aggregate value of not less than 102% of the market value of the loaned securities. In addition to the collateral held by the Evolve ETF, the Evolve ETF will also benefit from a borrower default indemnity provided by the Lending Agent. The Lending Agent's indemnity will provide for the replacement of a number of securities equal to the number of unreturned loaned securities.

Promoter

The Manager has taken the initiative in founding and organizing the Evolve ETF and is, accordingly, the promoter of the Evolve ETF within the meaning of securities legislation of certain provinces and territories of Canada. The Manager, in its capacity as manager of the Evolve ETF, receives compensation from the Evolve ETF. See "Fees and Expenses".

CALCULATION OF NET ASSET VALUE

The NAV and NAV per Unit of the Evolve ETF are calculated by the Fund Administrator as of the Valuation Time on each Valuation Date. The NAV of the Evolve ETF on a particular date is equal to the aggregate value of the assets of the Evolve ETF less the aggregate value of the liabilities of the Evolve ETF, including any accrued management and administration fees and any income, net realized capital gains or other amounts payable to Unitholders on or before such date, expressed in Canadian dollars. The NAV per Unit on any day is obtained by dividing the NAV of the Evolve ETF on such day by the applicable number of Units then outstanding.

Valuation Policies and Procedures of the Evolve ETF

In determining the NAV of the Evolve ETF at any time, the Fund Administrator uses the following valuation principles:

- a) cash on hand or on deposit, bills, demand notes, accounts receivable, prepaid expenses, cash dividends received or receivable and interest accrued and not yet received, shall be deemed to be the face value thereof unless the Manager has determined that any such deposit, bill, demand note, account receivable, prepaid expense, cash dividend received or receivable or interest is not worth the full face value, in which event the value thereof shall be deemed to be such value as the Manager determines to be reasonable;
- b) bonds, debentures, notes, money market instruments and other obligations shall be valued by taking the average of the most recently available bid and asked quotations at the Valuation Time on the Valuation Date;
- c) loans shall be valued at the Valuation Time on the Valuation Date in the following manner:
 - (i) the bid-side quote determined by any of Loan Pricing Corporation, MarkIt Partners or any other nationally recognized loan pricing service selected by the Manager; or
 - (ii) if such quote described in clause (i) above is not available, the average of the bid-side quotes determined by the Manager, from three independent broker-dealers active in the trading of such asset; or (A) if only two such bids can be obtained, the average of the bid-side quotes of such two bids; or (B) if only one such bid can be obtained, such bid; or
 - (iii) if such quote or bid described in clauses (i) and (ii) above are not available, the value of such loan (expressed as a percentage of par) shall be the value assigned by the Manager based on its best estimate of fair value, taking into consideration all relevant factors, including, but not limited to, the earnings and cash flow of the applicable obligor, comparable loans and/or obligors in the market, credit ratings and/or market credit spreads, interest rate levels, liquidity levels and position concentration levels;
- d) any security which is listed or dealt in upon a stock exchange shall be valued at its current market value;
- e) any security which is not listed or dealt in upon a stock exchange shall be valued at the most recently available sale price on the Valuation Date, or if such sale price is unavailable, the average of the bid and asked quotations immediately prior to the Valuation Time on the Valuation Date shall be used;
- f) restricted securities shall be valued at the lesser of:
 - (i) the value thereof based on reported quotations in common use; and
 - (ii) that percentage of the market value of securities of the same class, the trading of which is not restricted or limited by reason of any representation, undertaking or agreement or by law, equal to the percentage that the Evolve ETF's acquisition cost was of the market value of such securities at the time of acquisition, as applicable, provided that a gradual taking into account of the actual value of the securities may be made where the date on which the restrictions will be lifted is known;
- g) purchased or written clearing corporation options, options on futures, over-the-counter options, debt-like securities and listed warrants shall be valued at the current market value thereof;
- h) where a covered clearing corporation option, option on futures or over-the-counter option is written, the premium received by the Evolve ETF shall be reflected as a deferred credit which shall be valued at an

amount equal to the current market value of the clearing corporation option, option on futures or over-the-counter option that would have the effect of closing the position. Any difference resulting from revaluation shall be treated as an unrealized gain or loss on investment. The deferred credit shall be deducted in arriving at the NAV. The securities, if any, which are the subject of a written clearing corporation option or over-the-counter option shall be valued at their current market value;

- i) the value of a futures contract, forward contract or other Derivatives, such as swap contracts or options on financial futures, shall be the gain or loss with respect thereto that would be realized if, at the Valuation Time, the position in the futures contract, or the forward contract, as the case may be, were to be closed out in accordance with its terms, unless “daily limits” are in effect, in which case fair value shall be based on the current market value of the underlying interest;
- j) margin paid or deposited in respect of futures contracts and forward contracts shall be reflected as an account receivable and margin consisting of assets other than cash shall be noted as held as margin;
- k) translating amounts in a foreign currency to Canadian currency shall be based on the rate of exchange in effect on the applicable Valuation Date, as quoted by a recognized source, at the Manager’s sole discretion;
- l) if any Valuation Date is not a business day in any jurisdiction which is relevant for the purposes of valuing investments of the Evolve ETF, the prices or quotations as of the preceding business day in such jurisdiction shall be used for the purposes of such valuation;
- m) any security purchased, the purchase price of which has not been paid, shall be included for valuation purposes as a security held, and the purchase price, including brokers’ commissions and other expenses, shall be treated as a liability of the Evolve ETF;
- n) any security sold, but not delivered, pending receipt of the proceeds, shall be excluded for valuation purposes as a security held, and the selling price, net of brokers’ commissions and other expenses, shall be treated as an asset of the Evolve ETF; and
- o) if any investment cannot be valued under the foregoing rules or if the foregoing rules are at any time considered by the Manager to be inappropriate under the circumstances, then notwithstanding the foregoing rules, the Manager shall make such valuation as it considers fair and reasonable.

Unless otherwise indicated, for purposes hereof, “current market value” means the most recently available sale price applicable to the relevant security on the principal exchange on which it is traded immediately preceding the Valuation Time on the Valuation Date, provided that, if no sale has taken place on a Valuation Date, the average of the bid and asked quotations immediately prior to the Valuation Time on the Valuation Date shall be used.

For the purposes of the foregoing valuation policies, quotations may be obtained from any report in common use, or from a reputable broker or other financial institutions, provided always that the Manager shall retain sole discretion to use such information and methods as it deems to be necessary or desirable for valuing the assets of the Evolve ETF, including the use of a formula computation.

If any investment cannot be valued under the foregoing rules or if the foregoing rules are at any time considered by the Manager to be inappropriate under the circumstances, then notwithstanding the foregoing rules, the Manager shall make such valuation as it considers fair and reasonable under the circumstances and, if there is an industry practice, in a manner consistent with such industry practice for valuing such investment.

Pursuant to NI 81-106, investment funds calculate their net asset value using fair value for purposes of securityholder transactions. The Manager considers the policies above to result in fair valuation of the securities held by the Evolve ETF in accordance with NI 81-106 and such policies have been approved by the Board of Directors of the Manager. Net assets of the Evolve ETF will continue to be calculated in accordance with the rules and policies of the Canadian Securities Administrators or any exemption therefrom that the Evolve ETF may obtain.

Reporting of Net Asset Value

The Manager will publish the NAV and NAV per Unit for the Evolve ETF following the Valuation Time on the Valuation Date on its website at www.evolveetfs.com.

ATTRIBUTES OF THE SECURITIES

Description of the Securities Distributed

The Evolve ETF is authorized to issue an unlimited number of classes or series of redeemable, transferable Units, each of which represents an undivided interest in the net assets of the Evolve ETF. Units are denominated in Canadian dollars.

On December 16, 2004, the *Trust Beneficiaries' Liability Act, 2004* (Ontario) came into force. This statute provides that holders of units of a trust are not, as beneficiaries, liable for any default, obligation or liability of the trust if, when the default occurs or the liability arises: (i) the trust is a reporting issuer under the *Securities Act* (Ontario); and (ii) the trust is governed by the laws of the Province of Ontario. The Evolve ETF is a reporting issuer under the *Securities Act* (Ontario) and the Evolve ETF is governed by the laws of Ontario by virtue of the provisions of the Declaration of Trust.

Certain Provisions of the Units

Each Unit entitles the holder thereof to one vote at meetings of Unitholders and to participate equally with all other Units of the same class of the Evolve ETF with respect to all payments made to Unitholders, other than Management Fee Distributions, including distributions of net income and net realized capital gains and, on liquidation, to participate equally in the net assets of the Evolve ETF remaining after satisfaction of any outstanding liabilities that are attributable to Units of that class of the Evolve ETF. Notwithstanding the foregoing, the Evolve ETF may allocate and designate as payable certain capital gains to a Unitholder whose Units are being redeemed or exchanged as described under “Exchange and Redemption of Units – Allocations of Capital Gains to Redeeming or Exchanging Unitholders”. All Units will be fully paid, with no liability for future assessments, when issued and will not be transferable except by operation of law. Unitholders are entitled to require the Evolve ETF to redeem their Units as outlined under “Exchange and Redemption of Units – Redemption of Units of the Evolve ETF for Cash”.

Exchange of Units for Baskets of Securities

As set out under “Exchange and Redemption of Units – Exchange of Units of the Evolve ETF at Net Asset Value per Unit for Baskets of Securities and/or Cash”, Unitholders may exchange the PNU (or an integral multiple thereof) of the Evolve ETF on any Trading Day for Baskets of Securities and/or cash, subject to the requirement that a minimum PNU be exchanged.

Redemptions of Units for Cash

On any Trading Day, Unitholders may redeem Units for cash at a redemption price per Unit equal to 95% of the closing price for the applicable Units on the NEO Exchange 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, less any applicable administrative fee determined by the Manager, in its sole discretion, from time to time. Because Unitholders will generally be able to sell Units at the market price on the NEO Exchange through a registered broker or dealer subject only to customary brokerage commissions, Unitholders are advised to consult their brokers, dealers or investment advisers before redeeming their Units for cash.

Modification of Terms

All rights attached to the Units may only be modified, amended or varied in accordance with the terms of the Declaration of Trust. See “Unitholder Matters – Amendments to the Declaration of Trust”.

The Manager may amend the Declaration of Trust from time to time to redesignate the name of the Evolve ETF or to create a new class or series of units of the Evolve ETF without notice to existing Unitholders.

Voting Rights in the Portfolio Securities

Holders of Units will not have any voting rights in respect of the securities in the Evolve ETF's portfolio.

UNITHOLDER MATTERS

Meetings of Unitholders

Meetings of Unitholders will be held if called by the Manager or upon the written request to the Manager of Unitholders holding not less than 25% of the then outstanding Units.

Matters Requiring Unitholder Approval

NI 81-102 requires a meeting of Unitholders to be called to approve certain changes as follows:

- (i) the basis of the calculation of a fee or expense that is charged to the Evolve ETF or its Unitholders is changed in a way that could result in an increase in charges to the Evolve ETF or to its Unitholders, except where (a) the Evolve ETF is at arm's length with the person or company charging the fee; and (b) the Unitholders have received at least 60 days' notice before the effective date of the change;
- (ii) a fee or expense, to be charged to the Evolve ETF or directly to its Unitholders by the Evolve ETF or the Manager in connection with the holding of Units that could result in an increase in charges to the Evolve ETF or its Unitholders, is introduced;
- (iii) the Manager is changed, unless the new manager of the Evolve ETF is an affiliate of the Manager;
- (iv) the fundamental investment objective of the Evolve ETF is changed;
- (v) the Evolve ETF decreases the frequency of the calculation of its NAV per Unit;
- (vi) other than a Permitted Merger (as defined below) for which Unitholder approval is not required, the Evolve ETF undertakes a reorganization with, or transfers its assets to, another mutual fund, if the Evolve ETF ceases to continue after the reorganization or transfer of assets and the transaction results in the Unitholders becoming securityholders in the other mutual fund;
- (vii) the Evolve ETF undertakes a reorganization with, or acquires assets from, another mutual fund, if the Evolve ETF continues after the reorganization or acquisition of assets, the transaction results in the securityholders of the other mutual fund becoming Unitholders, and the transaction would be a material change to the Evolve ETF; or
- (viii) any matter which is required by the constitutive documents of the Evolve ETF, by the laws applicable to the Evolve ETF or by any agreement to be submitted to a vote of the Unitholders.

In addition, the auditors of the Evolve ETF may not be changed unless the IRC of the Evolve ETF has approved the change and Unitholders have received at least 60 days' notice before the effective date of the change.

Approval of Unitholders of any such matter will be given if a majority of the votes cast at a meeting of Unitholders duly called and held for the purpose of considering the same approve the related resolution.

Amendments to the Declaration of Trust

The Trustee may amend the Declaration of Trust from time to time but may not, without the approval of a majority of the votes of Unitholders voting at a meeting of Unitholders duly called for such purpose, make any amendment relating to any matter in respect of which NI 81-102 requires a meeting, as set out above, or any amendment that will adversely affect the voting rights of Unitholders. All Unitholders shall be bound by an amendment affecting the Evolve ETF from the effective date of the amendment.

Permitted Mergers

The Evolve ETF may, without Unitholder approval, enter into a merger or other similar transaction (a "**Permitted Merger**") that has the effect of combining the Evolve ETF with any other investment fund or funds that have investment objectives, valuation procedures and fee structures that are similar to the Evolve ETF, subject to:

- (i) approval of the merger by the IRC;
- (ii) compliance with certain merger pre-approval conditions set out in NI 81-102; and

- (iii) written notice being sent to Unitholders at least 60 days before the effective date of the merger.

In connection with a Permitted Merger, the merging funds will be valued at their respective net asset values and Unitholders will be offered the right to redeem their Units for cash at the applicable NAV per Unit.

Accounting and Reporting to Unitholders

The fiscal year-end of the Evolve ETF is December 31. The Evolve ETF will deliver or make available to Unitholders: (i) audited annual financial statements; (ii) unaudited interim financial statements; and (iii) annual and interim management reports of fund performance. Such documents are, or will be, incorporated by reference into, and form an integral part of, this prospectus. See “Documents Incorporated by Reference”.

Each Unitholder will also be mailed annually, by his, her or its broker, as and when required under applicable law, information necessary to enable such Unitholder to complete an income tax return with respect to amounts paid or payable by the Evolve ETF owned by such Unitholder in respect of the preceding taxation year of the Evolve ETF. Neither the Manager nor the Registrar and Transfer Agent is responsible for tracking the adjusted cost base of a Unitholder’s Units. Unitholders should consult with their tax or investment adviser in respect of how to compute the adjusted cost base of their Units and in particular how distributions made by the Evolve ETF to a Unitholder affect the Unitholder’s tax position. See “Income Tax Considerations”.

The Manager will ensure that the Evolve ETF complies with all applicable reporting and administrative requirements. The Manager will also ensure that adequate books and records are kept reflecting the activities of the Evolve ETF. A Unitholder or his, her or its duly authorized representative has the right to examine the books and records of the Evolve ETF during normal business hours at the offices of the Fund Administrator. Notwithstanding the foregoing, a Unitholder shall not have access to any information that, in the opinion of the Manager, should be kept confidential in the interests of the Evolve ETF.

International Information Reporting

Part XVIII of the Tax Act imposes due diligence and reporting obligations on “reporting Canadian financial institutions” in respect of their “U.S. reportable accounts”. The Evolve ETF is a “reporting Canadian financial institution” but as long as Units continue to be registered in the name of CDS, the Evolve ETF should not have any “U.S. reportable accounts” and, as a result, the Evolve ETF should not be required to provide information to the CRA in respect of its Unitholders. However, dealers through which Unitholders hold their Units are subject to due diligence and reporting obligations with respect to financial accounts they maintain for their clients. Accordingly, Unitholders may be requested to provide information to their dealer to identify U.S. persons holding Units. If a Unitholder is a U.S. person (including a U.S. citizen) or if a Unitholder does not provide the requested information, Part XVIII of the Tax Act will generally require information about the Unitholder’s investments held in the financial account maintained by the dealer to be reported to the CRA, unless the investments are held within a Plan. The CRA is expected to provide that information to the U.S. Internal Revenue Service.

Part XIX of the Tax Act implements the Organization for Economic Co-operation and Development Common Reporting Standard (the “**CRS Legislation**”). Pursuant to the CRS Legislation, “Canadian financial institutions” (as defined in the CRS Legislation) are required to have procedures in place to identify accounts held by residents of foreign countries (other than the U.S.) or by certain entities the “controlling persons” of which are resident in a foreign country (other than the U.S.) and to report required information to the CRA. Such information is exchanged on a reciprocal, bilateral basis with countries that have agreed to a bilateral information exchange with Canada under the Common Reporting Standard in which the account holders or such controlling persons are resident. Under the CRS Legislation, Unitholders may be required to provide certain information regarding their investment in the Evolve ETF for the purpose of such procedures and, where applicable, such information exchange, unless the investment is held within a Plan.

TERMINATION OF THE EVOLVE ETF

The Evolve ETF may be terminated by the Manager on at least sixty (60) days’ notice to Unitholders of such termination and the Manager will issue a press release in advance thereof. The Manager may also terminate the Evolve ETF if the Trustee resigns or becomes incapable of acting and is not replaced. The rights of Unitholders to exchange and redeem Units described under “Exchange and Redemption of Units – Exchange of Units of the Evolve ETF at

Net Asset Value per Unit for Baskets of Securities and/or Cash” and “Exchange and Redemption of Units – Redemption of Units of the Evolve ETF for Cash” will cease as and from the date of termination of the Evolve ETF.

The Trustee shall be entitled to retain out of any assets of the Evolve ETF, at the date of termination of the Evolve ETF, full provision for all costs, charges, expenses, claims and demands incurred or believed by the Trustee to be due or to become due in connection with or arising out of the termination of the Evolve ETF and the distribution of its assets to the Unitholders. Out of the moneys so retained, the Trustee is entitled to be indemnified and saved harmless against all costs, charges, expenses, claims and demands. Upon such termination, the portfolio securities, cash and other assets remaining after paying or providing for all liabilities and obligations of the Evolve ETF shall be distributed pro rata based on NAV among the Unitholders.

PLAN OF DISTRIBUTION

Units are being offered for sale on a continuous basis by this prospectus and there is no maximum number of Units that may be issued. The Units shall be offered for sale at a price equal to the NAV of such class of Units determined at the Valuation Time on the effective date of the subscription order.

Non-Resident Unitholders

At no time may (i) non-residents of Canada, (ii) partnerships that are not Canadian partnerships or (iii) a combination of non-residents of Canada and such partnerships (all as defined in the Tax Act) be the beneficial owners of a majority of the Units (on either a number of Units or fair market value basis) and the Manager shall inform the Registrar and Transfer Agent of this restriction. The Manager may require declarations as to the jurisdictions in which a beneficial owner of Units is resident and, if a partnership, its status as a Canadian partnership. If the Manager becomes aware, as a result of requiring such declarations as to beneficial ownership or otherwise, that the beneficial owners of 40% of the Units then outstanding (on either a number of Units or fair market value basis) are, or may be, non-residents and/or partnerships that are not Canadian partnerships, or that such a situation is imminent, the Manager may make a public announcement thereof. If the Manager determines that more than 40% of the Units (on either a number of Units or fair market value basis) are beneficially held by non-residents and/or partnerships that are not Canadian partnerships, the Manager may send a notice to such non-residents and/or partnerships, chosen in inverse order to the order of acquisition or in such manner as the Manager may consider equitable and practicable, requiring them to sell their Units or a portion thereof within a specified period of not less than 30 days. If the Unitholders receiving such notice have not sold the specified number of Units or provided the Manager with satisfactory evidence that they are not non-residents or partnerships other than Canadian partnerships within such period, the Manager may on behalf of such Unitholders sell such Units and, in the interim, shall suspend the voting and distribution rights attached to such Units. Upon such sale, the affected holders shall cease to be beneficial holders of Units and their rights shall be limited to receiving the net proceeds of sale of such Units.

Notwithstanding the foregoing, the Manager may determine not to take any of the actions described above if the Manager has been advised by legal counsel that the failure to take any of such actions would not adversely impact the status of the Evolve ETF as a mutual fund trust for purposes of the Tax Act or, alternatively, may take such other action or actions as may be necessary to maintain the status of the Evolve ETF as a mutual fund trust for purposes of the Tax Act.

RELATIONSHIP BETWEEN THE EVOLVE ETF AND THE DEALERS

The Manager, on behalf of the Evolve ETF, may enter into various agreements with registered dealers (that may or may not be the Designated Broker) pursuant to which the Dealers may subscribe for Units as described under “Purchases of Units”.

Neither the Designated Broker nor any Dealer has been involved in the preparation of this prospectus or has performed any review of the contents of this prospectus and, as such, the Designated Broker and the Dealers do not perform many of the usual underwriting activities in connection with the distribution by the Evolve ETF of its Units under this prospectus. Units do not represent an interest or an obligation of the Designated Broker, any Dealer or any affiliate thereof and a Unitholder does not have any recourse against any such parties in respect of amounts payable by the Evolve ETF to the Designated Broker or applicable Dealers. See “Organization and Management Details of the Evolve ETF – Conflicts of Interest”.

PRINCIPAL HOLDERS OF UNITS

CDS & Co., the nominee of CDS, will be the registered owner of the ETF Units which it holds for various brokers and other persons on behalf of their clients and others. From time to time, the Designated Broker, a Dealer, the Evolve Fund or another investment fund managed by the Manager or an affiliate thereof, may beneficially own, directly or indirectly, more than 10% of the ETF Units.

PROXY VOTING DISCLOSURE FOR PORTFOLIO SECURITIES HELD

The Manager has established policies and procedures with respect to the voting of proxies received from issuers of securities held in the Evolve ETF's portfolio. The Manager's Proxy Voting Policy provides that the Manager will vote (or refrain from voting) proxies for the Evolve ETF for which it has voting power in the best economic interests of the Evolve ETF. The Proxy Voting Policy is not exhaustive and due to the variety of proxy voting issues that the Manager may be required to consider, are intended only to provide guidance and are not intended to dictate how proxies are to be voted in each instance. The Manager may depart from the Proxy Voting Policy in order to avoid voting decisions that may be contrary to the best interests of the Evolve ETF.

The Manager will publish these records on an annual basis on the Evolve ETF's website at www.evolveetfs.com. The Evolve ETF's proxy voting record for the annual period from July 1 to June 30 will be available at any time after August 31 following the end of that annual period, to any Unitholder on request, at no cost, and will also be available at www.evolveetfs.com.

MATERIAL CONTRACTS

The only contracts material to the Evolve ETF are the Declaration of Trust and the Custodian Agreement.

Copies of these agreements may be examined at the head office of the Manager at 161 Bay Street, Suite 2700, Toronto, ON M5J 2S1.

LEGAL AND ADMINISTRATIVE PROCEEDINGS

The Evolve ETF is not involved in any legal proceedings, nor is the Manager aware of existing or pending legal or arbitration proceedings involving the Evolve ETF.

EXPERTS

The auditors of the Evolve ETF, Ernst & Young LLP, Chartered Professional Accountants, Licensed Public Accountants have audited the statement of financial position contained herein. Ernst & Young LLP has advised that it is independent with respect to the Evolve ETF within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario.

EXEMPTIONS AND APPROVALS

The Manager, on behalf of the Evolve ETF has obtained exemptive relief from the Securities Regulatory Authorities:

- (a) to permit a Unitholder to acquire more than 20% of the Units through purchases on the NEO Exchange without regard to the takeover bid requirements of applicable Canadian Securities Legislation; and
- (b) to relieve the Evolve ETF from the requirement that a prospectus contain a certificate of the underwriters.

PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase ETF securities within 48 hours after the receipt of a confirmation of a purchase of such securities. In several of the provinces and territories, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus

and any amendment contains a misrepresentation, or non-delivery of the ETF Facts, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory.

The purchaser should refer to the applicable provisions of the securities legislation of the province or territory for the particulars of these rights or should consult with a legal adviser.

DOCUMENTS INCORPORATED BY REFERENCE

Additional information about the Evolve ETF is, or will be, available in the following documents:

- (i) the most recently filed ETF Facts of the Evolve ETF;
- (ii) the most recently filed comparative annual financial statements of the Evolve ETF, together with the accompanying report of the auditors;
- (iii) any unaudited interim financial statements of the Evolve ETF filed after the most recently filed comparative annual financial statements of the Evolve ETF;
- (iv) the most recently filed annual MRFP of the Evolve ETF; and
- (v) any interim MRFP of the Evolve ETF filed after that most recently filed annual MRFP of the Evolve ETF.

These documents are or will be incorporated by reference into this prospectus, which means that they legally form part of this document just as if they were printed as part of this document.

These documents are available on the Manager's website at www.evolveetfs.com or by contacting the Manager at (416)-214-4884 or toll-free at 1-844-370-4884 or by email at info@evolveetfs.com. These documents and other information about the Evolve ETF are available on the Internet at www.sedar.com.

In addition to the documents listed above, any documents of the type described above that are filed on behalf of the Evolve ETF after the date of this prospectus and before the termination of the distribution of the Evolve ETF are deemed to be incorporated by reference into this prospectus.

INDEPENDENT AUDITORS' REPORT

To the Unitholder and Manager of
Evolve U.S. Marijuana ETF (the “**Evolve ETF**”)

Opinion

We have audited the financial statement of the Evolve ETF, which comprises the statement of financial position as at April 15, 2019 and notes to the financial statement, including a summary of significant accounting policies.

In our opinion, the accompanying financial statement presents fairly, in all material respects, the financial position of the Evolve ETF as at April 15, 2019 in accordance with those requirements of International Financial Reporting Standards (IFRSs) relevant to preparing such financial statement.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statement* section of our report. We are independent of the Evolve ETF in accordance with the ethical requirements that are relevant to our audit of the financial statement in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statement

Management is responsible for the preparation and fair presentation of the financial statement in accordance with those requirements of IFRSs relevant to preparing such financial statement, and for such internal control as management determines is necessary to enable the preparation of a financial statement that is free from material misstatement, whether due to fraud or error.

In preparing the financial statement, management is responsible for assessing the Evolve ETF's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Evolve ETF or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Evolve ETF's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial statement.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Evolve ETF's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Evolve ETF's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Evolve ETF to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statement, including the disclosures, and whether the financial statement represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

(Signed) "*Ernst & Young LLP*"
Chartered Professional Accountants
Licensed Public Accountants

Toronto, Canada
April 15, 2019

EVOLVE U.S. MARIJUANA ETF
STATEMENT OF FINANCIAL POSITION

As at April 15, 2019

ASSETS

Current Assets

Cash \$20

Total Assets \$20

NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS (Units issued and redeemable)

Net assets attributable to holders of redeemable units (1 Unit) \$20

NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT \$20

The accompanying notes are an integral part of this statement of financial position.

EVOLVE U.S. MARIJUANA ETF

Notes to the Financial Statement

April 15, 2019

1. General Information

The Evolve ETF is an exchange traded mutual fund established under the laws of the Province of Ontario, pursuant to the terms of the Declaration of Trust. The Evolve ETF is a mutual fund under the securities legislation of the provinces and territories of Canada. Evolve Funds Group Inc. is the promoter, trustee, manager and investment manager of the Evolve ETF and is responsible for the administration of the Evolve ETF.

The principal office of the Evolve ETF and Evolve Funds Group Inc. is located at 161 Bay Street, Suite 2700, Toronto, ON M5J 2S1.

The financial statement as at April 15, 2019 was authorized for issue by the Manager on April 15, 2019.

2. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of the financial statement are set out below.

2.1 Basis of Preparation

The financial statement of the Evolve ETF has been prepared in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB), relevant to preparing a statement of financial position. The financial statement of the Evolve ETF has been prepared under the historical cost convention.

2.2 Functional and Presentation Currency

The financial statement of the Evolve ETF is presented in Canadian dollars, which is the functional and presentation currency of the Evolve ETF.

2.3 Financial Instruments

The Evolve ETF recognizes financial instruments at fair value upon initial recognition, plus transaction costs in the case of financial instruments measured at amortized cost. Regular way purchases and sales of financial assets are recognized at their trade date.

Cash comprises amounts held in trust with the legal counsel of the Evolve ETF and is stated at fair value.

2.4 Redeemable Units

The Evolve ETF is authorized to issue an unlimited number of classes and series redeemable, transferable units, each of which represents an undivided interest in the net assets of that class of the Evolve ETF (the "Units"). The Units are classified as financial liabilities in accordance with the requirements of International Accounting Standard 32, Financial Instruments: Presentation.

3. Fair Value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The carrying values of cash and the obligation of the Evolve ETF for net assets attributable to holders of redeemable units approximate their fair values due to their short-term nature.

4. Risks associated with financial instruments

The Evolve ETF's overall risk management program seeks to maximize the returns derived for the level of risk to which the Evolve ETF is exposed and seeks to minimize potential adverse effects on the Evolve ETF's financial performance.

4.1 Credit risk

The Evolve ETF is exposed to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. As at April 15, 2019, the credit risk is considered limited as the cash balance was held in trust by counsel to the Evolve ETF.

4.2 Liquidity risk

Liquidity risk is the risk that the Evolve ETF will encounter difficulty in meeting obligations associated with financial liabilities. The Evolve ETF maintains sufficient cash on hand to fund anticipated redemptions.

5. Capital Risk Management

The capital of the Evolve ETF is represented by the net assets attributable to holders of Units. The amount of net assets attributable to holders of redeemable units can change.

6. Authorized units

The Evolve ETF is authorized to issue an unlimited number of redeemable, transferable Units, each of which represents an undivided interest in the net assets of the Evolve ETF.

Each Unit entitles the owner to one vote at meetings of Unitholders and is entitled to participate equally with all other Units with respect to all payments made to Unitholders, other than management fee distributions, including distributions of net income and net realized capital gains and, on liquidation, to participate equally in the net assets of the Evolve ETF remaining after satisfaction of any outstanding liabilities that are attributable to Units. All Units are fully paid, with no liability for future assessments, when issued and will not be transferable except by operation of law.

In accordance with the objectives outlined in Note 1 and the risk management policies in Note 4, the Evolve ETF endeavours to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemptions.

The Manager has initially purchased one Unit of the Evolve ETF.

7. Management Fees and other expenses

The Evolve ETF will pay an annual management fee (the "**Management Fee**") to the Manager equal to 0.75% of the net asset value ("**NAV**") of the Evolve ETF, calculated daily and payable monthly in arrears, plus applicable taxes.

Other than ETF Costs (as defined below), in consideration for the payment by the Evolve ETF of a fixed administration fee (the "**Administration Fee**") to the Manager, and subject to compliance with NI 81-102, the Manager pays for the following operating expenses of the Evolve ETF ("**Operating Expenses**"), including but not limited to: mailing and printing expenses for periodic reports to Unitholders; fees payable to the Registrar and Transfer Agent and Custodian; any reasonable out of pocket expenses incurred by the Manager or its agents in connection with their ongoing obligations to the Evolve ETF; IRC committee member fees and expenses in connection with the IRC; expenses related to compliance with NI 81-107; fees and expenses relating to voting of proxies by a third party; insurance coverage for the members of the IRC; fees payable to the auditors and legal advisors of the Evolve ETF; regulatory filing, stock exchange and licensing fees (if applicable) and CDS fees; banking costs and interest with respect to any borrowing (if applicable); website maintenance costs; costs and expenses of complying with all applicable laws, regulations and policies,

including expenses and costs incurred in connection with the continuous public filing requirements such as permitted prospectus preparation and filing expenses; and legal, accounting and audit fees and fees and expenses of the Trustee, Custodian and Manager which are incurred in respect of matters not in the normal course of the Evolve ETF's activities. The Administration Fee paid to the Manager by the Evolve ETF may, in any particular period, be less than or exceed the Operating Expenses that the Manager incurs. The Manager is not obligated to pay any other expense, cost or fee, including those arising from new government or regulatory requirements relating to the foregoing expenses, costs and fees.

The Administration Fee is equal to 0.25% of the NAV of the Evolve ETF, calculated and paid in the same manner as the Management Fee for the Evolve ETF.

The fund costs ("**ETF Costs**") which are payable by the Evolve ETF include any taxes payable by the Evolve ETF to which the Evolve ETF may be subject, including income taxes, sales taxes (including GST/HST) and/or withholding taxes; expenditures incurred upon termination of the Evolve ETF; extraordinary expenses that the Evolve ETF may incur and all amounts paid on account of any indebtedness (if applicable); any expenses of insurance and costs of all suits or legal proceedings in connection with the Evolve ETF or the assets of the Evolve ETF or to protect the Unitholders, the Trustee, the Manager, and the directors, officers, employees or agents of any of them; any expenses of indemnification of the Trustee, the Unitholders, the Manager, and the directors, officers, employees or agents of any of them to the extent permitted under the Declaration of Trust; and expenses relating to the preparation, printing and mailing of information to Unitholders in connection with meetings of Unitholders. The Evolve ETF is also responsible for all commissions and other costs of portfolio transactions and any extraordinary expenses of the Evolve ETF which may be incurred from time to time.

CERTIFICATE OF THE EVOLVE ETF, THE MANAGER AND PROMOTER

Dated: April 15, 2019

This prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of each of the provinces and territories of Canada.

EVOLVE FUNDS GROUP INC.

(As manager, trustee and promoter and on behalf of the Evolve ETF)

(signed) "*Raj Lala*"

Raj Lala
Chief Executive Officer of Evolve Funds Group Inc., the
Manager, Trustee and Promoter of the Evolve ETF, and
on behalf of the Evolve ETF

(signed) "*Michael Simonetta*"

Michael Simonetta
Chairman & Chief Financial Officer of Evolve
Funds Group Inc., the Manager, Trustee and
Promoter of the Evolve ETF, and on behalf of the
Evolve ETF

On behalf of the Board of Directors
of Evolve Funds Group Inc.

(signed) "*Keith Crone*"

Keith Crone
Director

(signed) "*Elliot Johnson*"

Elliot Johnson
Director