

Evolve E-Gaming Index ETF

June 30, 2024

Interim Management Report of Fund Performance

This interim management report of fund performance contains financial highlights but does not contain the complete interim financial statements of the investment fund. You can get a copy of the interim financial statements at your request, and at no cost, by calling 1-844-370-4884, by writing to us at Evolve Funds, 40 King Street West, Suite 3404, Toronto, ON, M5H 3Y2 or by visiting our website at www.evolveetfs.com or SEDAR at www.sedar.com. You may also contact us using one of these methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

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Investment Objective and Strategies

The Evolve E-Gaming Index ETF (the "Fund") seeks to replicate, to the extent reasonably possible and before fees and expenses, the performance of the Solactive eGaming Index (the "Benchmark"), or any successor thereto. The Fund primarily invests in equity securities of companies listed domestically and globally, and other issuers, with business activities in the gaming industry.

Risk

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

Results of Operations

For the six-month period ended June 30, 2024, the Hedged ETF Units returned 10.7% versus the Solactive eGaming Index PR CAD hedged return of 11.3%. The difference in performance of the hedged units relative to its benchmark can be attributed primarily to management and administration fees plus applicable sales taxes, to portfolio trading and hedging strategies and to the assumption that all distributions made by the investment fund were reinvested in additional securities whereas the index performance is of price return only. The Fund's net assets were \$20.5MM as at June 30, 2024.

Portfolio Manager Commentary

The first half of 2024 has been strong for the Fund, marked by the notable performance of some constituents and significant developments among key players within the eGaming industry during the period.

Nintendo has been a standout performer since the beginning of the year, reaching a record high in January following the release of a teaser for its long-awaited Nintendo Switch 2. Nintendo has yet to officially announce a release date for the console, but confirmed that further details are coming within the fiscal year. This anticipation, coupled with strong earnings in May where it exceeded net income expectations, continued to positively impact the eGaming company's share price¹. Nintendo's performance during this period and its long-standing success in the eGaming industry underscores its enduring appeal and strategic execution in the market.

Electronic Arts (EA) experienced a mixed start to the year. For the first few months of 2024, EA's performance lagged due to a cautious fiscal outlook and weak pipeline of game releases projected for the year². However, on the release of their fiscal fourth quarter earnings in May the company announced the upcoming release of a highly anticipated college football game, EA Sports College Football 25. This announcement caused the stock to rebound and recover previously losses incurred during the year. This turnaround highlights the dynamic nature of the eGaming industry and the impact of strategic announcements on investor sentiment.

Take-Two Interactive, despite high expectations, faced a challenging first six months of the year. The release of the highly anticipated Grand Theft Auto 6 trailer was met with excitement, but the subsequent announcement of a delay in the game's release date dampened the company's performance³. However, as one of the most highly anticipated video game releases of all time, some analysts anticipate Grand Theft Auto 6 will reach \$1 billion in sales within the first 24 hours following its release⁴.

Performance Attribution

For the six-month period ending June 30, 2024, Konami Holdings Corporation made the biggest contribution to the Fund, followed by International Games System Co Ltd. By weight, the Fund's largest holdings were Electronic Arts Inc., Take-Two Interactive Software Inc., and Nintendo Co Ltd., ADR.

(1) <https://www.bloomberg.com/news/articles/2024-05-07/nintendo-braces-for-profit-decline-while-users-await-next-switch>

(2) https://s22.q4cdn.com/894350492/files/doc_financials/2024/q4/Q4-FY24-Earnings-Release-FINAL.pdf

(3) <https://www.bloomberg.com/news/newsletters/2024-03-28/grand-theft-auto-vi-delay-report-spurs-overblown-concern>

(4) <https://www.bbc.com/worklife/article/20231214-gta-6-grand-theft-auto-vi-could-smash-revenue-records>

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Recent Developments

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

Related Party Transactions

Evolve Funds Group Inc. (the "Manager") complies with its current policy and procedures regarding investments in related issuers and reports periodically to the Investment Review Committee.

Management Fees

The management fees are calculated based on 0.70% per annum of the average daily net asset value of the Fund. The fees are accrued daily and are generally paid monthly. For the six-month period ended June 30, 2024, the Fund incurred \$73,923 in management fees. These management fees were received by the Manager for the day-to-day operations of the fund, including managing the portfolio, maintaining portfolio systems used to manage the Fund, maintaining the www.evolveetfs.com website, and providing all other services including marketing and promotion.

Administration Fees

The administration fees are calculated based on 0.15% per annum of the average daily net asset value of the Fund. The fees are accrued daily and are generally paid monthly. For the six-month period ended June 30, 2024, the Fund incurred \$16,263 in administration fees. These administration fees were received by the Manager for the following operating expenses of the Fund including but not limited to: mailing and printing expenses for periodic reports to unitholders; Registrar and Transfer Agent and Custodian; any reasonable out of pocket expenses incurred by the Manager or its agents in connection with their ongoing obligations to the Fund; IRC committee member fees and expenses in connection with the IRC; expenses related to compliance with NI 81-107; fees and expenses relating to voting of proxies by a third party; insurance coverage for the members of the IRC; fees payable to the auditors and legal advisors of the Fund; regulatory filing, stock exchange and licensing fees and CDS fees; costs and expenses of complying with all applicable laws, regulations and policies, including expenses and costs incurred in connection with the continuous public filing requirements such as permitted prospectus preparation and filing expenses; and legal, accounting and audit fees and fees and expenses of the Trustee, Custodian and Manager which are incurred in respect of matters not in the normal course of the Fund's activities. The administration fee paid to the Manager by the Fund may, in any particular period, be less than or exceed the operating expenses that the Manager incurs for the Fund.

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Financial Highlights

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

The Fund's Net Assets Per Unit¹

For the periods ended:	June 30, 2024	December 31, 2023	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Hedged ETF Units - Net Assets per Unit						
Net Assets per Unit, beginning of period	28.64	24.21	34.66	37.14	22.31	20.00
Increase (decrease) from operations:						
Total revenue	0.13	0.32	0.36	0.35	0.26	0.16
Total expenses	(0.17)	(0.36)	(0.36)	(0.48)	(0.47)	(0.24)
Realized gains (losses)	1.13	(1.85)	(6.27)	1.82	2.20	0.11
Unrealized gains (losses)	1.85	6.71	(4.31)	(5.33)	14.89	2.50
Total increase (decrease) from operations²	2.94	4.82	(10.58)	(3.64)	16.88	2.53
Distributions:						
From income (excluding dividends)	(0.10)	-	-	-	-	-
From capital gains	-	-	-	(0.16)	(0.06)	-
Return of capital	-	(0.20)	(0.20)	(0.04)	-	(0.03)
Total annual distributions³	(0.10)	(0.20)	(0.20)	(0.20)	(0.06)	(0.03)
Net Assets per Unit, end of period	31.59	28.64	24.21	34.66	37.14	22.31

- 1 This information is derived from the Fund's unaudited interim financial statements as at June 30, 2024, and the audited annual financial statements as at December 31, 2023, 2022, 2021, 2020, and 2019. The Fund effectively began operations on June 13, 2019.
- 2 Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of units outstanding over the period.
- 3 Distributions were paid in cash or reinvested in additional units of the Fund, or both. Actual distributions may vary slightly owing to rounding.

The Fund's Ratios/Supplemental Data

For the periods ended:	June 30, 2024	December 31, 2023	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019
Hedged ETF Units - Ratios/Supplemental Data						
Total Net Asset Value (\$) ⁴	20,536,591	24,340,163	26,023,689	58,049,592	41,783,501	2,231,075
Number of units outstanding ⁴	650,000	850,000	1,075,000	1,675,000	1,125,000	100,000
Management expense ratio ⁵	0.81%	0.97%	0.94%	0.97%	0.96%	0.99%
Trading expense ratio ⁶	0.19%	0.17%	0.13%	0.17%	0.42%	0.98%
Portfolio turnover rate ⁷	16.64%	68.37%	48.23%	90.93%	31.35%	28.57%
Net Asset Value per unit (\$)	31.59	28.64	24.21	34.66	37.14	22.31
Closing market price (\$)	31.58	28.65	24.03	34.54	37.26	22.32

- 4 This information is provided as at June 30, 2024, and December 31, 2023, 2022, 2021, 2020, and 2019.
- 5 Management expense ratio ("MER") is based on total expenses plus harmonized sales tax (excluding distributions, commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period.
- 6 The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of average daily net assets during the period.
- 7 The Fund's portfolio turnover rate indicates how actively the Fund's portfolio manager trades its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the period. The higher the Fund's portfolio turnover rate in a period, the greater the trading costs payable by the Fund in the period, and the greater the chance of an investor receiving taxable capital gains in the period. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

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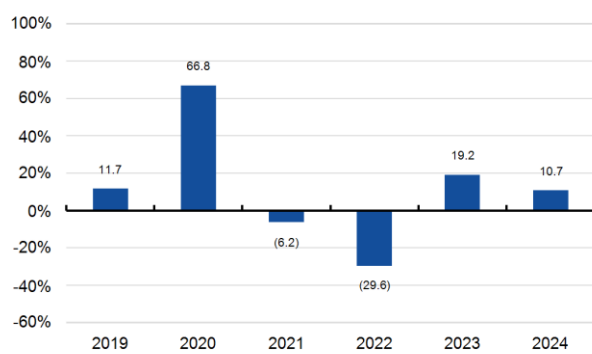
Past Performance

The performance information does not take into account sales, redemption, distribution, income taxes payable by any unitholder or other optional charges that, if applicable, would have reduced returns or performance. The performance information shown assumes that all distributions made by the investment fund in the periods shown were reinvested in additional securities of the investment fund. How the Fund has performed in the past does not necessarily indicate how it will perform in the future.

Year-by-Year Returns

The bar chart below shows the Hedged ETF Units' performance for each of the financial years shown and for the six-month period ended June 30, 2024. The chart shows, in percentage terms, how much an investment made in the Fund on the first day of each financial period would have grown or decreased by the last day of that financial period.

HERO Hedged ETF Units¹



¹ The Hedged ETF Units of the Fund effectively began operations on June 13, 2019.

Summary of Investment Portfolio

Top 25 Positions

Security	Percentage of Net Asset Value (%)
Electronic Arts Inc.	10.1
Take-Two Interactive Software Inc.	9.8
Nintendo Company Limited, ADR	9.8
NetEase Inc., ADR	9.4
Roblox Corporation, Class 'A'	9.0
NEXON Company Limited	8.2
Konami Holdings Corporation	5.4
Capcom Company Limited	5.3
Krafton Inc.	5.1
International Games System Company Limited	3.1
Square Enix Holdings Company Limited	1.9
Sega Sammy Holdings Inc.	1.9
CD Projekt SA	1.8
Netmarble Corporation	1.7
Koei Tecmo Holdings Company Limited	1.5
Playtika Holding Corporation	1.5

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Top 25 Positions (cont'd)

	Percentage of Net Asset Value (%)
Security	
NCSOFT Corporation	1.5
Embracer Group AB, Class 'B'	1.5
Ubisoft Entertainment SA, ADR	1.4
Pearl Abyss Corporation	1.1
GungHo Online Entertainment Inc.	0.8
Paradox Interactive AB	0.7
MIXI Inc.	0.7
Kakao Games Corporation	0.6
XD Inc.	0.6
Total	94.4

Industry Allocation

Portfolio by Category	Percentage of Net Asset Value (%)
Equities	
Communication Services	97.1
Consumer Discretionary	2.5
Information Technology	0.3
Derivative Assets	0.2
Derivative Liabilities	(0.2)
Cash and Cash Equivalents	2.2
Other Assets, less Liabilities	(2.1)
Total	100.0

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



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