



Evolve ETFs

Evolve Active US Core Equity Fund

June 30, 2019

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, 161 Bay Street, Suite 2700, Toronto, ON, M5J 2S1 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 Active US Core Equity Fund (the "Fund") seeks to provide holders of Units with long-term capital appreciation by investing primarily in equity securities of U.S. listed large-capitalization companies using a selection process that combines quantitative techniques, fundamental analysis and risk management.

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, 2019, the Fund's net asset value per non-hedged units returned 6.11%, the net asset value per hedged units returned 9.78%. Since the US Dollar non-hedged class was launched on November 14, 2018, and the non-hedged A and F mutual fund classes were launched on April 23, 2019, no performance data can be shown. The Fund's net assets were \$7.144MM as at June 30, 2019.

Portfolio Manager Commentary

After suffering a double-digit loss in the fourth quarter of 2018, the Russell 1000 Index rebounded impressively (+18.8%), marking its strongest first half of a year since 1997. Hopes for resolving the U.S.-China trade dispute, in addition to expectations for continued accommodative monetary policy, fueled rallies in January (+8.4%) and February (+3.4%). However, stock gains slowed in a volatile March (+1.7%) punctuated by disappointing U.S. job growth and weak economic data from China and Europe. An April upswing (+4%) spurred by positive U.S. economic data and strong corporate earnings reports was erased in May (-6.4%) as U.S./China trade friction and concerns about global economic growth sapped investor sentiment. Hopes for accommodative monetary policy from the Federal Reserve propelled broad equity indexes to all-time highs and a strong return for the Russell 1000 in June (+7%). The portfolio underperformed the Russell 1000 Index, with security selection driving underperformance. In particular, securities within the Consumer Discretionary, Energy, and Communication Services sectors detracted the most. Overall portfolio positioning going forward remains unchanged. We are positioning the portfolio with a cyclical tilt via overweights to consumer discretionary, industrials, and communication services, and underweights to financials, utilities, and consumer staples. In addition, we are emphasizing stocks in the portfolio with relatively smaller market caps within the large-cap universe, more liquidity, and a higher degree of volatility.

Recent Developments

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

Related Party Transactions

The Manager complies with its current policy and procedures regarding investments in related issuers and reports periodically to the Independent Review Committee.

Management Fees

The 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, 2019, the Fund incurred \$30,136 in management fees. These management fees were received by Evolve Funds Group Inc. 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.

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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, 2019, the Fund incurred \$6,454 in administration fees. These administration fees were received by Evolve Funds Group Inc. 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 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, in any particular period, be less than or exceed the operating expenses that the Manager incurs for that class.

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, 2019 (\$)	December 31, 2018 (\$)	December 31, 2017 (\$)
Unhedged Units - Net Assets per Unit			
Net Assets per Unit, beginning of period	21.10	21.06	19.94
Increase (decrease) from operations:			
Total revenue	0.19	0.56	0.11
Total expenses	(0.20)	(0.44)	(0.06)
Realized gains (losses)	(0.45)	1.72	0.26
Unrealized gains (losses)	1.03	(1.42)	0.80
Total increase (decrease) from operations²	0.57	0.42	1.11
Distributions:			
From income (excluding dividends)	(0.09)	-	-
From dividends	-	-	(0.05)
Return of capital	-	(0.18)	-
Total annual distributions³	(0.09)	(0.18)	(0.05)
Net Assets per Unit, end of period	22.30	21.10	21.06
Hedged Units - Net Assets per Unit			
Net Assets per Unit, beginning of period	19.06	20.90	19.90
Increase (decrease) from operations:			
Total revenue	0.17	0.64	0.11
Total expenses	(0.19)	(0.42)	(0.06)
Realized gains (losses)	(0.78)	0.36	(0.40)
Unrealized gains (losses)	2.63	(2.92)	1.30
Total increase (decrease) from operations²	1.83	(2.34)	0.95
Distributions:			
From income (excluding dividends)	(0.09)	-	-
From dividends	-	-	(0.05)
Return of capital	-	(0.18)	(0.00)
Total annual distributions³	(0.09)	(0.18)	(0.05)
Net Assets per Unit, end of period	20.83	19.06	20.90

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The Fund's Net Assets Per Unit¹ (cont'd)

	June 30, 2019 (\$)	December 31, 2018 (\$)	December 31, 2017 (\$)
For the periods ended:			
US Dollar Unhedged Units - Net Assets per Unit			
Net Assets per Unit, beginning of period	24.06	26.38	-
Increase (decrease) from operations:			
Total revenue	0.21	0.21	-
Total expenses	(0.27)	(0.07)	-
Realized gains (losses)	(0.65)	(0.08)	-
Unrealized gains (losses)	2.15	(2.41)	-
Total increase (decrease) from operations²	1.44	(2.35)	-
Distributions:			
From income (excluding dividends)	(0.12)	-	-
Return of capital	-	(0.02)	-
Total annual distributions³	(0.12)	(0.02)	-
Net Assets per Unit, end of period	25.38	24.06	-
Hedged Class A - Net Assets per Unit			
Net Assets per Unit, beginning of period ⁴	20.00	-	-
Increase (decrease) from operations:			
Total revenue	0.09	-	-
Total expenses	(0.06)	-	-
Realized gains (losses)	(0.05)	-	-
Unrealized gains (losses)	(0.50)	-	-
Total increase (decrease) from operations²	(0.52)	-	-
Net Assets per Unit, end of period	19.48	-	-
Hedged Class F - Net Assets per Unit			
Net Assets per Unit, beginning of period ⁴	20.00	-	-
Increase (decrease) from operations:			
Total revenue	0.01	-	-
Total expenses	(0.01)	-	-
Realized gains (losses)	(0.07)	-	-
Unrealized gains (losses)	(0.58)	-	-
Total increase (decrease) from operations²	(0.65)	-	-
Net Assets per Unit, end of period	19.35	-	-

1 This information is derived from the Fund's unaudited interim financial statement as at June 30, 2019 and the audited annual financial statements as at December 31 of the years shown. The Unhedged and Hedged Units began operations on October 16, 2017 and the US Dollar Unhedged units began operations on November 14, 2018.

2 Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of units outstanding over the period.

3 Distributions were paid in cash or reinvested in additional units of the Fund, or both. Actual distributions may vary slightly owing to rounding.

4 This amount represents the initial launch price.

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The Fund's Ratios/Supplemental Data

For the periods ended:	June 30, 2019	December 31, 2018	December 31, 2017
Unhedged Units - Ratios/Supplemental Data			
Total Net Asset Value (\$) ⁵	2,230,247	1,055,194	1,053,068
Number of units outstanding ⁵	100,000	50,000	50,000
Management expense ratio ⁶	0.98%	0.96%	0.95%
Trading expense ratio ⁷	0.54%	0.71%	0.10%
Portfolio turnover rate ⁸	79.44%	207.33%	29.92%
Net Asset Value per unit (\$)	22.30	21.10	21.06
Closing market price (\$)	22.29	21.07	21.17
Hedged Units - Ratios/Supplemental Data			
Total Net Asset Value (\$) ⁵	3,645,082	3,335,129	1,045,116
Number of units outstanding ⁵	175,000	175,000	50,000
Management expense ratio ⁶	0.97%	0.96%	0.95%
Trading expense ratio ⁷	0.54%	0.71%	0.10%
Portfolio turnover rate ⁸	79.44%	207.33%	29.92%
Net Asset Value per unit (\$)	20.83	19.06	20.90
Closing market price (\$)	20.82	19.03	20.96
US Dollar Unhedged Units - Ratios/Supplemental Data			
Total Net Asset Value (\$) ⁵	1,269,113	1,203,080	-
Number of units outstanding ⁵	50,000	50,000	-
Management expense ratio ⁶	1.18%	-	-
Trading expense ratio ⁷	0.54%	0.71%	-
Portfolio turnover rate ⁸	79.44%	207.33%	-
Net Asset Value per unit (\$)	25.38	24.06	-
Closing market price (\$)	25.37	24.02	-
Hedged Class A - Ratios/Supplemental Data			
Total Net Asset Value (\$) ⁵	19	-	-
Number of units outstanding ⁵	1	-	-
Management expense ratio ⁶	-	-	-
Trading expense ratio ⁷	0.54%	-	-
Portfolio turnover rate ⁸	79.44%	-	-
Net Asset Value per unit (\$)	19.48	-	-
Hedged Class F - Ratios/Supplemental Data			
Total Net Asset Value (\$) ⁵	19	-	-
Number of units outstanding ⁵	1	-	-
Management expense ratio ⁶	-	-	-
Trading expense ratio ⁷	0.54%	-	-
Portfolio turnover rate ⁸	79.44%	-	-
Net Asset Value per unit (\$)	19.35	-	-

5 This information is provided as at June 30, 2019 and December 31 of the other years shown.

6 Management expense ratio ("MER") is based on total expenses plus harmonized sales tax (excluding distributions, commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period.

7 The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of average daily net assets during the period.

8 The Fund's portfolio turnover rate indicates how actively the Fund's portfolio manager trades its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the period. The higher the Fund's portfolio turnover rate in a period, the greater the trading costs payable by the Fund in the period, and the greater the chance of an investor receiving taxable capital gains in the period. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

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Past Performance

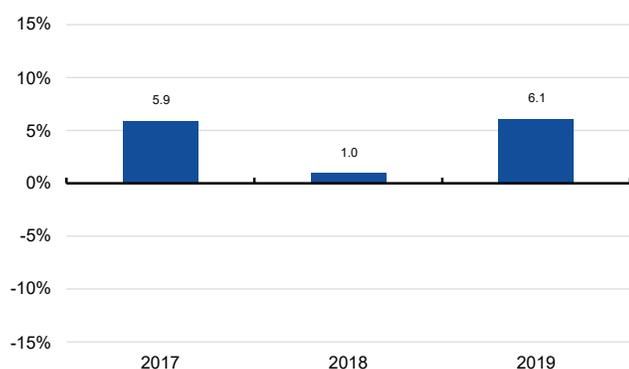
The performance information does not take into account sales, redemption, distribution, income taxes payable by any unitholder or other optional charges that, if applicable, would have reduced returns or performance. The performance information shown assumes that all distributions made by the investment 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.

Since the US Dollar non-hedged class with inception date November 14, 2018, and the hedged class A and F mutual fund classes with inception date April 23, 2019, has been in operations for less than one year, providing performance data for the period is not permitted.

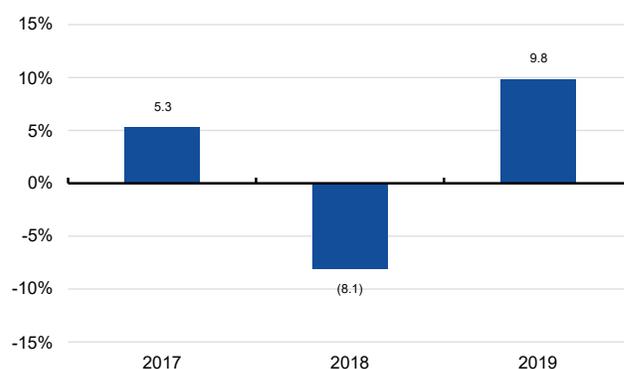
Year-by-Year Returns

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

CAPS/B¹



CAPS²



1 The non-hedged class of the Fund effectively began operation on October 16, 2017.

2 The hedged class of the Fund effectively began operation on October 16, 2017.

Summary of Investment Portfolio

Top 25 Positions

Security	Percentage of Net Asset Value (%)
Microsoft Corporation	2.8
Apple Inc.	2.6
Amazon.com Inc.	1.9
Mastercard Inc.	1.9
Cisco Systems Inc.	1.8
Comcast Corporation, Class 'A'	1.6
Citigroup Inc.	1.6
AbbVie Inc.	1.5
Alphabet Inc., Class 'A'	1.4
Union Pacific Corporation	1.4
Starbucks Corporation	1.3
Intuit Inc.	1.2
Celgene Corporation	1.2
The TJX Companies Inc.	1.2

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Top 25 Positions (cont'd)

	Percentage of Net Asset Value (%)
Security	
General Motors Company	1.2
NXP Semiconductors NV	1.2
Bank of America Corporation	1.2
MetLife Inc.	1.1
FleetCor Technologies Inc.	1.1
McKesson Corporation	1.1
PACCAR Inc.	1.1
The Estee Lauder Companies Inc., Class 'A'	1.1
CBRE Group Inc.	1.1
Biogen Inc.	1.1
AutoZone Inc.	1.1
Total	35.8

Industry Allocation

Portfolio by Category	Percentage of Net Asset Value (%)
Equities	
Communication Services	11.3
Consumer Discretionary	15.2
Consumer Staples	1.9
Energy	4.8
Financials	9.8
Health Care	13.0
Industrials	14.8
Information Technology	20.4
Materials	3.9
Real Estate	2.0
Derivative Assets	0.3
Derivative Liabilities	(0.0)
Cash and Cash Equivalents	2.7
Other Assets, less Liabilities	(0.1)
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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