



Evolve ETFs

Evolve Active Core Fixed Income Fund

June 30, 2020

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.

Evolve Active Core Fixed Income Fund

June 30, 2020

Investment Objective and Strategies

The Evolve Active Core Fixed Income Fund (the "Fund") seeks to provide a stable rate of return, primarily through income, and to a lesser extent, capital appreciation. The Fund invests primarily in domestic and international high quality fixed income securities, and to a lesser extent, adding yield or enhancing returns on the portfolio by opportunistically investing in international fixed income securities, emerging market debt, preferred shares, convertible bonds and non-investment grade bonds.

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, 2020, Unhedged ETF Units returned 3.9%, Unhedged Class A Mutual Fund Units returned 2.9% and Unhedged Class F Mutual Fund Units returned 2.9%. The Fund's net assets were \$21.3MM as at June 30, 2020.

Portfolio Manager Commentary

New year optimism faded during the first quarter of the year amid the growing impact, both human and economic, of the ongoing coronavirus outbreak. Population lockdowns, business shutdowns, and travel restrictions into the country all had a dampening impact on GDP growth. Global trade and industrial supply chains were greatly impacted by these factors which further weakened global growth prospects in the short-to-medium term.

Commodity prices turned sharply lower at the end of February amid concerns the ongoing coronavirus outbreak will lead to weaker demand for raw materials, fuel and food across the globe. Softer energy markets, slow global growth and a general flight-to-quality had bond yields heading lower once again. This decline in yields resulted in positive returns for the overall bond market.

We have maintained our overweight position in higher quality corporate bonds and an underweight position in longer-dated issues, as investors are not being sufficiently compensated for the additional risk of investing in long-term bonds or those with higher credit risk. Furthermore, the portfolio has no exposure to high-yield bonds, having eliminated the last position during the final quarter of 2019 as this segment of the market appears overvalued.

The Fund strongly outperformed the benchmark in the second quarter as corporate bond spreads and preferred shares recovered. These markets chose to focus beyond the current negative impact from the pandemic, and instead on the huge amounts of stimulus (monetary and fiscal) supporting the economy. Allocations to the satellite strategies were positive with preferred shares and global credit adding value. Equity and corporate credit markets staged an impressive rally in the second quarter after the steep sell-off in March, and now appear priced for a complete economic rebound. This scenario is possible although not certain, and we anticipate continued volatility in rates and spreads as the market reacts to a slower-than-expected economic recovery and potential rising corporate insolvencies. Interest rates will be maintained in a much lower range for quite some time, and we will actively trade portfolio duration to take advantage of any volatility. Preferred share and global credit exposure will be managed defensively and increased opportunistically when the valuation is more attractive.

We have begun adding more satellite strategies such as global credit (which was added at the beginning of June), high yields bonds and commercial mortgages.

Recent Developments

Subsequent to year end, COVID-19 became a global pandemic and resulted unprecedented actions by governments around the world to curtail the spread of the disease. These events have resulted in a high level of uncertainty and volatility in the financial markets and have had an enormous impact on businesses and consumers in all sectors. The duration and impact of these developments is unknown at this time and as such, the financial impact to investments cannot be estimated.

Effective April 1, 2020, Addenda Capital Inc. has been appointed as the new Sub-Advisor of the Fund. There is no change to the investment objective of the Fund.

Evolve Active Core Fixed Income Fund

June 30, 2020

Related Party Transactions

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

Management Fees

The Manager is entitled to an annual management fee of 0.45% of the net asset value of the Unhedged ETF Units and the Unhedged Class F Mutual Fund Units and 1.20% of the net asset value of the Unhedged Class A Mutual Fund Units of the Fund, accrued daily and are generally paid monthly in arrears. For the six-month period ended June 30, 2020, the Fund incurred \$55,454 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.

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, 2020, the Fund incurred \$23,017 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 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 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

	June 30, 2020 (\$)	December 31, 2019 (\$)	December 31, 2018 (\$)
For the periods ended:			
Unhedged Units - Net Assets per Unit			
Net Assets per Unit, beginning of period	19.75	19.37	20.01
Increase (decrease) from operations:			
Total revenue	0.36	0.66	0.48
Total expenses	(0.06)	(0.11)	(0.12)
Realized gains (losses)	0.25	0.12	(0.03)
Unrealized gains (losses)	(0.14)	0.34	(0.40)
Total increase (decrease) from operations²	0.41	1.01	(0.07)
Distributions:			
From income (excluding dividends)	(0.33)	(0.47)	(0.32)
From dividends	-	(0.06)	(0.01)
From capital gains	-	(0.07)	(0.01)
Return of capital	-	(0.06)	(0.16)
Total annual distributions³	(0.33)	(0.66)	(0.50)
Net Assets per Unit, end of period	20.19	19.75	19.37

Evolve Active Core Fixed Income Fund

June 30, 2020

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

For the periods ended:	June 30, 2020 (\$)	December 31, 2019 (\$)	December 31, 2018 (\$)
Unhedged Class A - Net Assets per Unit			
Net Assets per Unit, beginning of period	20.09	20.00	N/A
Increase (decrease) from operations:			
Total revenue	0.06	0.05	N/A
Total expenses	(0.02)	0.01	N/A
Realized gains (losses)	0.10	0.12	N/A
Unrealized gains (losses)	0.24	(0.09)	N/A
Total increase (decrease) from operations²	0.38	0.09	N/A
Distributions:			
From income (excluding dividends)	(0.06)	N/A	N/A
Total annual distributions³	(0.06)	N/A	N/A
Net Assets per Unit, end of period	20.61	20.09	N/A
Unhedged Class F - Net Assets per Unit			
Net Assets per Unit, beginning of period	20.26	20.00	N/A
Increase (decrease) from operations:			
Total revenue	0.06	0.04	N/A
Total expenses	(0.01)	0.01	N/A
Realized gains (losses)	0.10	0.13	N/A
Unrealized gains (losses)	0.24	0.08	N/A
Total increase (decrease) from operations²	0.39	0.26	N/A
Distributions:			
From income (excluding dividends)	(0.06)	N/A	N/A
Total annual distributions³	(0.06)	N/A	N/A
Net Assets per Unit, end of period	20.80	20.26	N/A

- 1 This information is derived from the Fund's unaudited interim financial statements as at June 30, 2020 and the audited annual financial statements as at December 31, 2019 and 2018. The Unhedged ETF Units began operations on March 29, 2018 and the Unhedged Class A and F Mutual Fund Units began operations on June 4, 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, 2020	December 31, 2019	December 31, 2018
Unhedged Units - Ratios/Supplemental Data			
Total Net Asset Value (\$) ⁴	21,198,092	30,612,500	24,693,049
Number of units outstanding ⁴	1,050,000	1,550,000	1,275,000
Management expense ratio ⁵	0.60%	0.58%	0.60%
Trading expense ratio ⁶	0.02%	0.00%	0.18%
Portfolio turnover rate ⁷	47.92%	30.80%	52.41%
Net Asset Value per unit (\$)	20.19	19.75	19.37
Closing market price (\$)	20.20	19.80	19.33

Evolve Active Core Fixed Income Fund

June 30, 2020

The Fund's Ratios/Supplemental Data (cont'd)

For the periods ended:	June 30, 2020	December 31, 2019	December 31, 2018
Unhedged Class A - Ratios/Supplemental Data			
Total Net Asset Value (\$) ⁴	13,264	20	N/A
Number of units outstanding ⁴	643	1	N/A
Management expense ratio ⁵	1.31%	0.00%	N/A
Trading expense ratio ⁶	0.02%	0.00%	N/A
Portfolio turnover rate ⁷	47.92%	30.80%	N/A
Net Asset Value per unit (\$)	20.61	20.09	N/A
Unhedged Class F - Ratios/Supplemental Data			
Total Net Asset Value (\$) ⁴	50,474	20	N/A
Number of units outstanding ⁴	2,427	1	N/A
Management expense ratio ⁵	0.61%	0.00%	N/A
Trading expense ratio ⁶	0.02%	0.00%	N/A
Portfolio turnover rate ⁷	47.92%	30.80%	N/A
Net Asset Value per unit (\$)	20.80	20.26	N/A

4 This information is provided as at June 30, 2020 and December 31, 2019 and 2018.

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.

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.

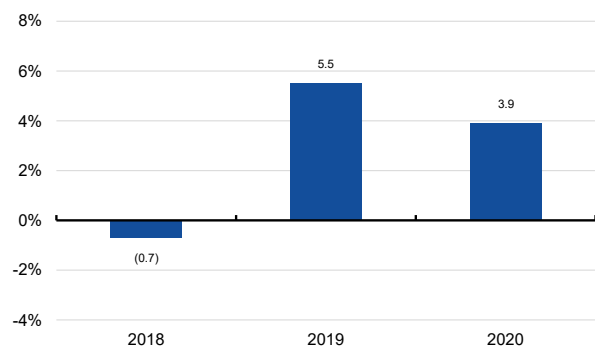
Year-by-Year Returns

The bar chart below shows the Unhedged ETF Units' and the Unhedged Class A and F Mutual Fund Units' annual performance for each of the financial years shown and for the six-month period ended June 30, 2020. 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.

Evolve Active Core Fixed Income Fund

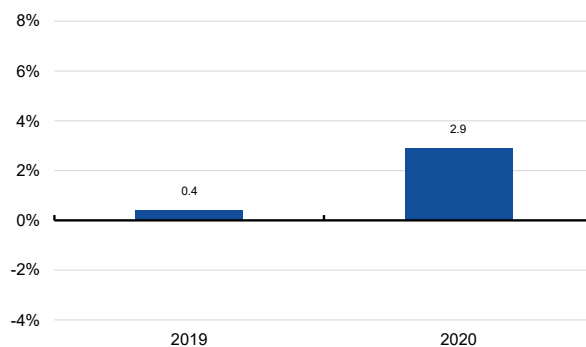
June 30, 2020

FIXD Unhedged ETF Units¹



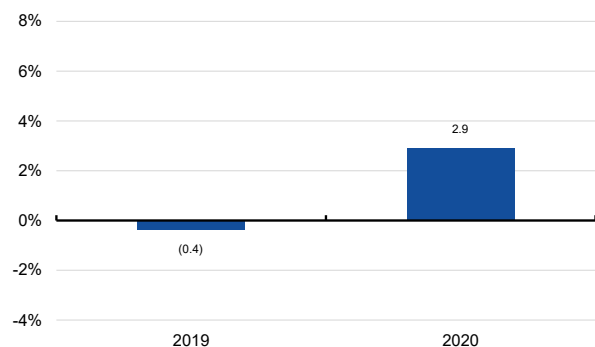
1 The Unhedged ETF Units of the Fund effectively began operations on March 29, 2018.

Unhedged Class A Mutual Fund Units²



2 The Unhedged Class A Mutual Fund Units of the Fund effectively began operations on June 4, 2019.

Unhedged Class F Mutual Fund Units³



3 The Unhedged Class F Mutual Fund Units of the Fund effectively began operations on June 4, 2019.

Summary of Investment Portfolio

Top 25 Positions

	Percentage of Net Asset Value (%)
Security	
Evolve Active Canadian Preferred Share Fund	14.8
Evolve Active Global Fixed Income Fund	9.2
Province of Ontario	4.1
The Empire Life Insurance Company, Variable, Callable	4.0
CPPIB Capital Inc.	4.0
Bow Centre Street Limited Partnership, Series 'A'	3.9
Province of British Columbia	3.4
Province of British Columbia	2.9
The Toronto-Dominion Bank, Variable, Callable	2.8
Hydro-Quebec	2.7

Evolve Active Core Fixed Income Fund

June 30, 2020

Top 25 Positions (cont'd)

	Percentage of Net Asset Value (%)
Security	
Royal Bank of Canada, Variable	2.7
Fortis Inc.	2.6
Province of Ontario	2.5
Royal Office Finance Limited Partnership, Series 'A'	2.3
Fifth Avenue Limited Partnership	2.3
Province of Manitoba	2.3
Bell Canada Inc., Callable	2.3
City of Toronto	2.1
Original Wempi Inc., Series 'B2'	1.9
The Hospital for Sick Children, Series 'A'	1.9
Bank of Montreal	1.8
Government of Canada	1.8
Canada Life Capital Trust, Series 'B', Callable	1.7
Enbridge Pipelines Inc., Callable	1.7
Fair Hydro Trust, Callable	1.7
Total	83.4

Industry Allocation

Portfolio by Category	Percentage of Net Asset Value (%)
Debt Instruments	
Asset-Backed Securities	1.7
Communication Services	2.3
Consumer Discretionary	0.9
Energy	4.1
Financials	27.0
Government	31.4
Health Care	1.9
Utilities	6.3
Equities	
ETFs - Domestic Equity	24.0
Cash and Cash Equivalents	0.1
Other Assets, less Liabilities	0.3
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.



Evolve ETFs

Evolve Active Core Fixed Income Fund