

Evolve FANGMA 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 FANGMA Index ETF (the "Fund") seeks to replicate, to the extent reasonably possible and before fees and expenses, the performance of the Solactive FANGMA Equal Weight Index, or any successor thereto. The Fund invests in equity securities of Alphabet Inc., Amazon Inc., Apple Inc., Meta Platforms, Inc., Netflix Inc. and Microsoft Corp.

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 Unhedged ETF Units returned 32.2% versus the Solactive FANGMA Equal Weight Index return of 33.5%. The Hedged ETF Units returned 27.6% versus Solactive FANGMA Equal Weight Index return of 33.5%. The US Dollar Unhedged ETF Units returned 28.0% versus the Solactive FANGMA Equal Weight Index return of 33.5%. 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 and to portfolio trading and hedging strategies. The difference in performance of the unhedged units relative to its benchmark can be attributed primarily to management and administration fees plus applicable sales taxes and to portfolio trading. The Fund's net assets were \$115.4MM as at June 30, 2024.

Portfolio Manager Commentary

The big technology firms rallied in the first half of 2024, with all of the FANGMA companies being key contributors to the S&P 500's gains during the period. Much of this increase can be attributed to strong earnings and developments in Artificial Intelligence (AI) technologies which impacted these companies during the period.

Apple began the year lagging behind its peers due to indications of declining iPhone demand, particularly in China¹. Additionally, there was speculation among investors that Apple might be falling behind in their involvement with AI. However, the company's performance improved following the release of its second quarter 2024 earnings report, which included optimistic forecasts and a record \$110 billion in stock buyback². In June, Apple alleviated investor concerns about its AI strategy by unveiling its plans at the Worldwide Developers Conference (WWDC), in which it announced Apple Intelligence, Siri with ChatGPT, iOS 18 and more³.

During the period, Netflix announced plans to transition into the live event programming space, creating investor enthusiasm as it seeks to leverage its existing audience in this new market. Netflix is set to host a variety of sporting events, including WWE and NFL games⁴, thereby expanding its content offerings and market reach. Under its' new deal with the NFL, Netflix will stream two games live on Christmas Day in 2024, and at least one game on the holiday in both 2025 and 2026⁵.

Meta Platforms had a standout performance in the first two quarters of the year, setting a record for the largest single-day market cap gain of \$197 billion following its first quarter 2024 earnings release⁶. The company's focus on cost-cutting and its pipeline of AI focused projects, along with a \$50 billion stock buyback and its first-ever quarterly dividend, sent strong positive signals to investors.

Alphabet experienced its best intraday stock gain since July 2015 after its first-quarter 2024 earnings were released in April. Revenue exceeded expectations, with AI enhancements significantly boosting growth in its cloud business. The announcement of a new dividend and an additional \$70 billion stock buyback contributed to Alphabet closing above a \$2 trillion market capitalization for the first time⁷.

Microsoft also gained market share during the period driven by the excitement surrounding AI, as it is resoundingly seen as one of the biggest winners of the AI race through its strategic partnership with OpenAI. Amazon reported its best online sales growth since the early pandemic, aided by its commitment to quicker shipping times. Despite initiating significant job cuts, Amazon's strategic focus on efficiency and core business areas continues to support its growth⁸.

Overall, the FANGMA big technology giants have had a strong first six months of the year and have driven returns in the broader market.

Performance Attribution

For the six-month period ending June 30, 2024, Netflix Inc., Inc. made the biggest contribution to the Fund, followed by Meta Platforms, Inc. By weight, the Fund's largest holdings were Apple Inc., Netflix Inc., and Alphabet Inc., Class 'A'.

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- (1) <https://www.bnnbloomberg.ca/apple-reports-first-sales-gain-in-a-year-despite-slump-in-china-1.2029724>
- (2) <https://www.cnbc.com/2024/05/02/apple-aapl-earnings-report-q2-2024.html>
- (3) <https://www.cnbc.com/2024/06/10/apple-wwdc-live-updates.html>
- (4) <https://www.nfl.com/news/netflix-will-be-the-home-to-live-nfl-games-this-christmas-day>
- (5) <https://www.forbes.com/sites/timlammers/2024/05/15/nfl-netflix-strike-deal-to-stream-2-games-live/>
- (6) <https://www.bloomberg.com/news/articles/2024-02-02/meta-s-meta-200-billion-surge-is-biggest-in-stock-market-history>
- (7) <https://www.cnbc.com/2024/04/26/alphabet-stock-up-on-strong-earnings-first-ever-dividend-buyback.html>
- (8) <https://www.bloomberg.com/news/articles/2024-04-30/amazon-reports-strong-cloud-unit-sales-on-rising-ai-demand>

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 0.40% per annum of the average daily net asset value of the Fund. The fees are accrued daily and generally paid monthly. For the six-month period ended June 30, 2024, the Fund incurred \$212,163 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 \$80,059 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 (\$) |
|--------------------------------------------------------------|--------------------------|------------------------------|------------------------------|------------------------------|
| Unhedged ETF Units - Net Assets per Unit | | | | |
| Net Assets per Unit, beginning of period | 13.54 | 7.71 | 12.37 | 10.00 |
| Increase (decrease) from operations: | | | | |
| Total revenue | 0.02 | 0.03 | 0.02 | 0.02 |
| Total expenses | (0.05) | (0.08) | (0.06) | (0.05) |
| Realized gains (losses) | 1.17 | 1.01 | (1.53) | 0.84 |
| Unrealized gains (losses) | 3.21 | 4.96 | (3.77) | 0.90 |
| Total increase (decrease) from operations² | 4.35 | 5.92 | (5.34) | 1.71 |
| Distributions: | | | | |
| From income (excluding dividends) | (0.01) | - | - | - |
| Return of capital | - | (0.02) | (0.02) | (0.02) |
| Total annual distributions³ | (0.01) | (0.02) | (0.02) | (0.02) |
| Net Assets per Unit, end of period | 17.88 | 13.54 | 7.71 | 12.37 |
| Hedged ETF Units - Net Assets per Unit | | | | |
| Net Assets per Unit, beginning of period | 12.21 | 6.88 | 12.01 | 10.00 |
| Increase (decrease) from operations: | | | | |
| Total revenue | 0.02 | 0.02 | 0.02 | 0.02 |
| Total expenses | (0.05) | (0.07) | (0.06) | (0.05) |
| Realized gains (losses) | 0.71 | 0.89 | (2.08) | (0.20) |
| Unrealized gains (losses) | 2.65 | 4.40 | (2.41) | 1.76 |
| Total increase (decrease) from operations² | 3.33 | 5.24 | (4.53) | 1.53 |
| Distributions: | | | | |
| From income (excluding dividends) | (0.01) | - | - | - |
| Return of capital | - | (0.02) | (0.02) | (0.02) |
| Total annual distributions³ | (0.01) | (0.02) | (0.02) | (0.02) |
| Net Assets per Unit, end of period | 15.57 | 12.21 | 6.88 | 12.01 |

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

| For the periods ended: | June 30, 2024 | December 31, 2023 | December 31, 2022 | December 31, 2021 |
|-----------------------------------------------------------------------|------------------|----------------------|----------------------|----------------------|
| | (\$) | (\$) | (\$) | (\$) |
| US Dollar Unhedged ETF Units - Net Assets per Unit⁴ | | | | |
| Net Assets per Unit, beginning of period | 16.66 | 9.49 | 15.23 | 12.31 |
| Increase (decrease) from operations: | | | | |
| Total revenue | 0.03 | 0.03 | 0.03 | 0.02 |
| Total expenses | (0.06) | (0.09) | (0.08) | (0.06) |
| Realized gains (losses) | 1.32 | 1.16 | (1.89) | 0.88 |
| Unrealized gains (losses) | 4.18 | 6.21 | (5.81) | 2.01 |
| Total increase (decrease) from operations² | 5.47 | 7.31 | (7.75) | 2.85 |
| Distributions: | | | | |
| From income (excluding dividends) | (0.01) | - | - | - |
| Return of capital | - | (0.03) | (0.03) | (0.02) |
| Total annual distributions³ | (0.01) | (0.03) | (0.03) | (0.02) |
| Net Assets per Unit, end of period | 22.01 | 16.66 | 9.49 | 15.23 |

- 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 and 2021. The Hedged, Unhedged, and US Dollar Unhedged ETF Units effectively began operations on May 4, 2021.
- 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 Per unit figures are stated in CAD equivalent.

The Fund's Ratios/Supplemental Data

| For the periods ended: | June 30, 2024 | December 31, 2023 | December 31, 2022 | December 31, 2021 |
|------------------------------------------------------|------------------|----------------------|----------------------|----------------------|
| Unhedged ETF Units - Ratios/Supplemental Data | | | | |
| Total Net Asset Value (\$) ⁵ | 10,730,626 | 7,445,341 | 3,085,219 | 7,422,345 |
| Number of units outstanding ⁵ | 600,000 | 550,000 | 400,000 | 600,001 |
| Management expense ratio ⁶ | 0.62% | 0.64% | 0.62% | 0.62% |
| Trading expense ratio ⁷ | 0.01% | 0.01% | 0.03% | 0.02% |
| Portfolio turnover rate ⁸ | 24.18% | 62.65% | 116.33% | 75.02% |
| Net Asset Value per unit (\$) | 17.88 | 13.54 | 7.71 | 12.37 |
| Closing market price (\$) | 17.92 | 13.53 | 7.72 | 12.40 |
| Hedged ETF Units - Ratios/Supplemental Data | | | | |
| Total Net Asset Value (\$) ⁵ | 99,493,611 | 70,096,307 | 37,156,230 | 36,616,111 |
| Number of units outstanding ⁵ | 6,390,500 | 5,740,500 | 5,403,000 | 3,050,001 |
| Management expense ratio ⁶ | 0.61% | 0.63% | 0.63% | 0.62% |
| Trading expense ratio ⁷ | 0.01% | 0.01% | 0.03% | 0.02% |
| Portfolio turnover rate ⁸ | 24.18% | 62.65% | 116.33% | 75.02% |
| Net Asset Value per unit (\$) | 15.57 | 12.21 | 6.88 | 12.01 |
| Closing market price (\$) | 15.58 | 12.20 | 6.88 | 12.01 |

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

| For the periods ended: | June 30, 2024 | December 31, 2023 | December 31, 2022 | December 31, 2021 |
|----------------------------------------------------------------|---------------|-------------------|-------------------|-------------------|
| US Dollar Unhedged ETF Units - Ratios/Supplemental Data | | | | |
| Total Net Asset Value (\$)⁵ | 5,165,545 | 3,909,920 | 3,177,528 | 12,943,849 |
| Number of units outstanding⁵ | 234,700 | 234,700 | 334,700 | 850,001 |
| Management expense ratio⁶ | 0.60% | 0.64% | 0.62% | 0.62% |
| Trading expense ratio⁷ | 0.01% | 0.01% | 0.03% | 0.02% |
| Portfolio turnover rate⁸ | 24.18% | 62.65% | 116.33% | 75.02% |
| Net Asset Value per unit (\$) | 22.01 | 16.66 | 9.49 | 15.23 |
| Closing market price (\$) | 22.02 | 16.66 | 9.50 | 15.33 |

5 This information is provided as at June 30, 2024, and December 31, 2023, 2022 and 2021.

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.

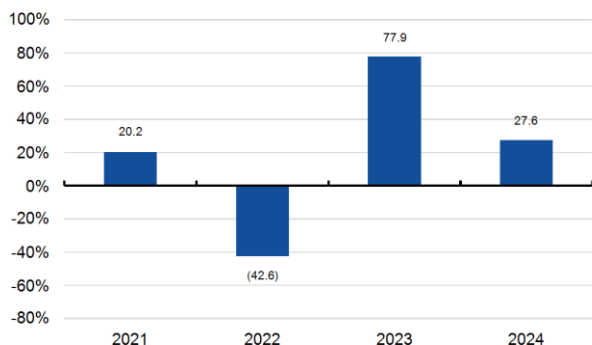
Past Performance

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

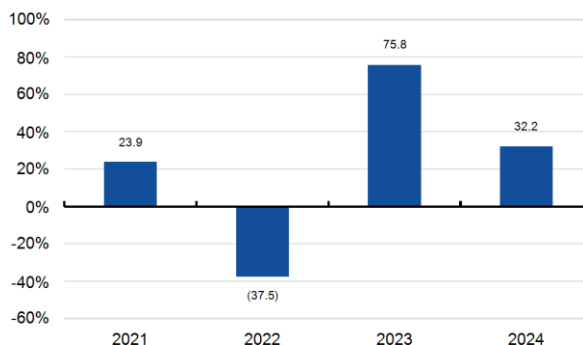
The bar chart below shows the Hedged, Unhedged, and US Dollar Unhedged ETF Units' performance for each of the financial years shown and for the six-month period ended June 30, 2024. The chart shows, in percentage terms, how much an investment made in the Fund on the first day of each financial period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

TECH Hedged ETF Units¹



1 The Hedged ETF Units of the Fund effectively began operations on May 4, 2021.

TECH/B Unhedged ETF Units²

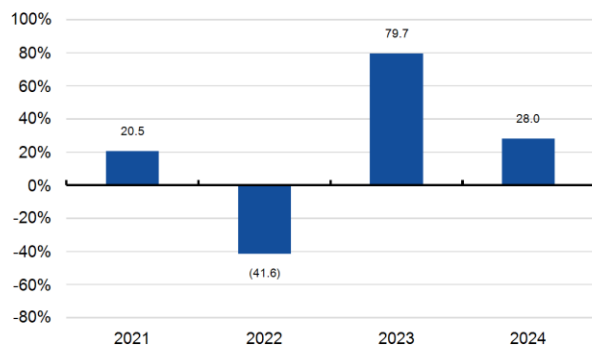


2 The Unhedged ETF Units of the Fund effectively began operations on May 4, 2021.

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TECH/U US Dollar Unhedged ETF Units³



³ The US Dollar Unhedged ETF Units of the Fund effectively began operations on May 4, 2021. Returns presented based on NAV equivalent in USD.

Summary of Investment Portfolio

All Positions

| | Percentage of Net Asset Value (%) |
|--------------------------------|-----------------------------------------|
| Security | |
| Apple Inc. | 18.4 |
| Netflix Inc. | 17.4 |
| Alphabet Inc., Class 'A' | 16.8 |
| Microsoft Corporation | 16.0 |
| Amazon.com Inc. | 15.8 |
| Meta Platforms Inc., Class 'A' | 15.0 |
| Total | 99.4 |

Industry Allocation

| Portfolio by Category | Percentage of Net Asset Value (%) |
|--------------------------------|-----------------------------------------|
| Equities | |
| Communication Services | 49.2 |
| Consumer Discretionary | 15.8 |
| Information Technology | 34.4 |
| Derivative Assets | 0.0 |
| Derivative Liabilities | (0.2) |
| Cash and Cash Equivalents | 0.9 |
| 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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