



Evolve ETFs

Evolve Cyber Security Index Fund

June 30, 2021

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 Cyber Security Index Fund (the "Fund") seeks to replicate, to the extent reasonably possible and before fees and expenses, the performance of the Solactive Global Cyber Security Index (the "Benchmark"), or any successor thereto. The Fund invests primarily in equity securities of companies located domestically or internationally that are involved in the cyber security industry through hardware and software development.

Risk

Effective August 17, 2021, the risk rating of the Unhedged ETF Units was changed from "Medium" to "Medium to High". 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, 2021, the Unhedged ETF Units returned 0.3% versus the Solactive Global Cyber Security Index return of 0.3%. The Hedged ETF Units returned 3.0% versus the Solactive Global Cyber Security Index Canadian Dollar Hedged return of 3.9%. The US Dollar Unhedged ETF Units returned 3.0% versus the Solactive Global Cyber Security USD Index NTR return of 3.2%. The Hedged Class A Mutual Fund Units returned 2.4% and the Hedged Class F Mutual Fund Units returned 3.0% versus the Solactive Global Cyber Security Index Canadian Dollar Hedged return of 3.9%. 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 \$257.6MM as at June 30, 2021.

Portfolio Manager Commentary

The first half of 2021 was dominated by ransomware concerns around the world.

January saw stunning takedowns of online criminal operations running two of the web's most pernicious malwares. Police in Canada, the United States, the Netherlands, Germany, the United Kingdom, France, Lithuania, and Ukraine coordinated the seizure of the infrastructure behind the Emotet botnet and disrupted the Netwalker ransomware in separate actions.

First discovered as a banking Trojan in 2014, since then, Emotet has by some estimates been responsible for delivering up to 60 percent of all malware online. 13 of the 50 command and control servers behind Emotet were located and seized in Canada. Law enforcement officials in the Netherlands plan to deliver an update through captured Emotet servers in April that will erase any malware previously delivered through the botnet.(i)

The Netwalker ransomware-as-a-service operation was also disrupted by law enforcement as authorities seized control of the Netwalker website. The Netwalker group has collected over \$30 million in ransoms since their first significant attacks in March 2020. Netwalker often targeted the healthcare sector, taking advantage of COVID-19 fears to extort victims.(ii)

Also, in January, security vendor Kaspersky released a report indicating roughly a third of organizations that downloaded the compromised SolarWinds software in 2020 were industries. Including manufacturing firms, utilities, energy companies, construction firms, and transportation firms, meaning the hack was even more widespread across the economy than previously known.(iii)

In May, one of the USA's biggest fuel pipeline operators, Colonial Pipeline, was hit with a ransomware attack. The attack shut down sections of its pipeline entirely and affected Colonial's operations for more than 11 days.(iv) Colonial Pipeline carries almost half the gasoline, diesel, and jet fuel used on the US East Coast, and the attack led to temporary price spikes and gas shortages up and down the East Coast. In parts of the US South, three in every four gas stations ran dry.(v)

The US government laid blame for the hacking at the feet of the hacking group DarkSide, who appeared to be based in Russia but not employed by the Russian government. In the wake of the Colonial Pipeline attack, DarkSide claims to have disbanded, saying an unnamed law enforcement agency had seized its servers. The DarkSide site appears inactive, as are its "ransomware-as-a-service" tools that allowed other hackers to launch ransomware attacks via essentially a kind of subscription service.(vi)

Colonial's chief executive later revealed that the company paid the equivalent of \$4.4 million in cryptocurrency to the hackers to release its systems.(vii)

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To avoid a repeat of the Colonial Pipeline hack, the US Department of Homeland Security moved to regulate cybersecurity in the pipeline industry for the first time. As critical infrastructure, pipeline companies will now have to report cyber incidents to federal authorities. A more extensive set of mandatory cybersecurity rules for the pipeline industry are expected to follow to replace what had been voluntary reporting guidelines.(viii)

In June, the world's largest meat supplier, JBS, confirmed that in May it was the victim of a ransomware attack which originated from a criminal group called REvil, based in Russia. JBS later confirmed that it paid hackers a ransom of nearly \$11 million in Bitcoin to regain control of its computer system.(ix) Operations in Australia, Canada, and the US were affected for several days due to the hack, with thousands of workers idled. Founded in 1953, JBS now has 150 plants in 15 countries and over 150,000 employees. In the United States, JBS processes nearly one-quarter of the country's beef and one-fifth of its pork with customers including supermarkets and fast-food outlet McDonald's.(x)

Performance Attribution

For the first six months of 2021, Fortinet Inc made the biggest contribution to the Fund, followed by CrowdStrike Holdings Inc, and BlackBerry Ltd. By weight, the Fund's largest exposure over the first six months of 2021 was to Fortinet Inc, CrowdStrike Holdings Inc, Zscaler Inc, and Palo Alto Networks Inc.

(i) <https://www.itworldcanada.com/article/police-take-down-dangerous-emetet-botnet-and-netwalker-ransomware-sites/441402>

(ii) <https://www.itworldcanada.com/article/police-take-down-dangerous-emetet-botnet-and-netwalker-ransomware-sites/441402>

(iii) <https://ics-cert.kaspersky.com/reports/2021/01/26/sunburst-industrial-victims/>

(iv) <https://apnews.com/article/financial-markets-government-and-politics-technology-business-407c240e1dfeca271825d98129fc8675>

(v) <https://www.bloomberg.com/news/articles/2021-05-11/gas-stations-run-dry-as-pipeline-hacking-will-take-days-to-fix>

(vi) <https://www.forbes.com/sites/thomasbrewster/2021/05/14/the-ransomware-group-behind-the-colonial-pipeline-hack-says-it-is-disbanding/?sh=45874d317775>

(vii) <https://www.washingtonpost.com/business/2021/05/25/colonial-hack-pipeline-dhs-cybersecurity/>

(viii) <https://www.washingtonpost.com/business/2021/05/25/colonial-hack-pipeline-dhs-cybersecurity/>

(ix) <https://www.loginradius.com/blog/start-with-identity/cybersec-roundup-june-2021/>

(x) <https://www.bbc.com/news/world-us-canada-57318965>

Recent Developments

In the year 2020, COVID-19 became a global pandemic and resulted in 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.

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 Independent Review Committee.

Management Fees

The Manager is entitled to an annual management fee of 0.40% of the net asset value of the Unhedged, Hedged and US Dollar Unhedged ETF Units and the Hedged Class F Mutual Fund Units and 1.40% of the net asset value of the Hedged Class A Mutual Fund Units of the Fund, accrued daily and generally paid monthly in arrears. For the six-month period ended June 30, 2021, the Fund incurred \$527,977 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.

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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, 2021, the Fund incurred \$195,477 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; fees payable to the index provider, 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.

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, 2021 (\$)	December 31, 2020 (\$)	December 31, 2019 (\$)	December 31, 2018 (\$)	December 31, 2017 (\$)
Unhedged ETF Units - Net Assets per Unit					
Net Assets per Unit, beginning of period	51.08	30.67	25.68	21.56	20.15
Increase (decrease) from operations:					
Total revenue	0.04	0.20	0.14	0.13	0.06
Total expenses	(0.17)	(0.30)	(0.24)	(0.23)	(0.05)
Realized gains (losses)	2.62	3.02	1.19	0.71	0.18
Unrealized gains (losses)	(2.99)	18.97	2.68	0.08	1.14
Total increase (decrease) from operations²	(0.50)	21.89	3.77	0.69	1.33
Distributions:					
From income (excluding dividends)	(0.05)	-	-	-	-
From capital gains	-	(0.05)	(0.05)	-	-
Return of capital	-	(0.01)	(0.01)	(0.06)	(0.02)
Total annual distributions³	(0.05)	(0.06)	(0.06)	(0.06)	(0.02)
Net Assets per Unit, end of period	51.16	51.08	30.67	25.68	21.56
Hedged ETF Units - Net Assets per Unit					
Net Assets per Unit, beginning of period	46.82	28.33	22.77	20.94	20.11
Increase (decrease) from operations:					
Total revenue	0.03	0.17	0.13	0.15	0.06
Total expenses	(0.15)	(0.26)	(0.20)	(0.21)	(0.05)
Realized gains (losses)	3.82	4.05	0.73	(0.53)	(0.84)
Unrealized gains (losses)	(2.29)	15.80	3.91	(5.80)	1.79
Total increase (decrease) from operations²	1.41	19.76	4.57	(6.39)	0.96
Distributions:					
From income (excluding dividends)	(0.05)	-	-	-	-
From capital gains	-	(0.05)	(0.05)	-	-
Return of capital	-	(0.01)	(0.01)	(0.06)	(0.02)
Total annual distributions³	(0.05)	(0.06)	(0.06)	(0.06)	(0.02)
Net Assets per Unit, end of period	48.18	46.82	28.33	22.77	20.94

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

	June 30, 2021 (\$)	December 31, 2020 (\$)	December 31, 2019 (\$)	December 31, 2018 (\$)	December 31, 2017 (\$)
For the periods ended:					
US Dollar Unhedged ETF Units - Net Assets per Unit⁴					
Net Assets per Unit, beginning of period	68.72	41.26	40.99	N/A	N/A
Increase (decrease) from operations:					
Total revenue	0.05	0.29	0.15	N/A	N/A
Total expenses	(0.22)	(0.41)	(0.20)	N/A	N/A
Realized gains (losses)	3.39	3.64	1.16	N/A	N/A
Unrealized gains (losses)	(1.94)	26.29	(0.22)	N/A	N/A
Total increase (decrease) from operations²	1.28	29.81	0.89	N/A	N/A
Distributions:					
From income (excluding dividends)	(0.06)	-	-	-	-
From capital gains	-	(0.07)	(0.04)	N/A	N/A
Return of capital	-	(0.01)	(0.01)	N/A	N/A
Total annual distributions³	(0.06)	(0.08)	(0.05)	N/A	N/A
Net Assets per Unit, end of period	68.83	68.72	41.26	N/A	N/A
Hedged Class A - Net Assets per Unit					
Net Assets per Unit, beginning of period	33.79	19.68	20.00	N/A	N/A
Increase (decrease) from operations:					
Total revenue	0.02	0.16	0.10	N/A	N/A
Total expenses	(0.29)	(0.52)	(0.26)	N/A	N/A
Realized gains (losses)	2.55	3.13	0.56	N/A	N/A
Unrealized gains (losses)	(1.31)	16.79	0.23	N/A	N/A
Total increase (decrease) from operations²	0.97	19.56	0.63	N/A	N/A
Distributions:					
From income (excluding dividends)	(0.05)	-	-	-	-
From capital gains	-	(0.05)	(0.03)	N/A	N/A
Return of capital	-	(0.01)	(0.01)	N/A	N/A
Total annual distributions³	(0.05)	(0.06)	(0.04)	N/A	N/A
Net Assets per Unit, end of period	34.56	33.79	19.68	N/A	N/A

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

For the periods ended:	June 30, 2021 (\$)	December 31, 2020 (\$)	December 31, 2019 (\$)	December 31, 2018 (\$)	December 31, 2017 (\$)
Hedged Class F - Net Assets per Unit					
Net Assets per Unit, beginning of period	34.75	19.94	20.00	N/A	N/A
Increase (decrease) from operations:					
Total revenue	0.02	0.14	0.07	N/A	N/A
Total expenses	(0.11)	(0.21)	(0.01)	N/A	N/A
Realized gains (losses)	2.88	3.73	0.75	N/A	N/A
Unrealized gains (losses)	(2.06)	12.18	(0.87)	N/A	N/A
Total increase (decrease) from operations²	0.73	15.84	(0.06)	N/A	N/A
Distributions:					
From income (excluding dividends)	(0.05)	-	-	-	-
From capital gains	-	(0.05)	-	N/A	N/A
Return of capital	-	(0.01)	-	N/A	N/A
Total annual distributions³	(0.05)	(0.06)	-	N/A	N/A
Net Assets per Unit, end of period	35.73	34.75	19.94	N/A	N/A

1 This information is derived from the Fund's unaudited interim financial statements as at June 30, 2021 and the audited annual financial statement as at December 31, 2020, 2019, 2018 and 2017. The Unhedged and Hedged ETF Units effectively began operations on September 18, 2017, the US Dollar Unhedged ETF Units effectively began operations on May 14, 2019 and the Hedged Class A and F Mutual Fund Units effectively began operations on April 23, 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.

4 Per unit figures are stated in CAD equivalent.

The Fund's Ratios/Supplemental Data

For the periods ended:	June 30, 2021	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017
Unhedged ETF Units - Ratios/Supplemental Data					
Total Net Asset Value (\$) ⁵	42,207,729	40,865,613	10,734,486	4,494,132	1,617,268
Number of units outstanding ⁵	825,000	800,000	350,000	175,000	75,000
Management expense ratio ⁶	0.62%	0.63%	0.66%	0.67%	0.64%
Trading expense ratio ⁷	0.04%	0.05%	0.05%	0.11%	0.04%
Portfolio turnover rate ⁸	21.18%	43.96%	63.20%	46.59%	13.34%
Net Asset Value per unit (\$)	51.16	51.08	30.67	25.68	21.56
Closing market price (\$)	51.18	51.24	30.67	25.55	21.70
Hedged ETF Units - Ratios/Supplemental Data					
Total Net Asset Value (\$) ⁵	202,337,132	152,180,066	60,191,859	34,722,940	2,093,796
Number of units outstanding ⁵	4,200,000	3,250,000	2,125,000	1,525,000	100,000
Management expense ratio ⁶	0.62%	0.63%	0.63%	0.67%	0.64%
Trading expense ratio ⁷	0.04%	0.05%	0.05%	0.11%	0.04%
Portfolio turnover rate ⁸	21.18%	43.96%	63.20%	46.59%	13.34%
Net Asset Value per unit (\$)	48.18	46.82	28.33	22.77	20.94
Closing market price (\$)	48.29	46.96	28.32	22.77	21.09

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

For the periods ended:	June 30, 2021	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017
US Dollar Unhedged ETF Units - Ratios/Supplemental Data					
Total Net Asset Value (\$) ⁵	8,603,455	5,153,646	1,031,495	N/A	N/A
Number of units outstanding ⁵	125,000	75,000	25,000	N/A	N/A
Management expense ratio ⁶	0.62%	0.63%	0.64%	N/A	N/A
Trading expense ratio ⁷	0.04%	0.05%	0.05%	N/A	N/A
Portfolio turnover rate ⁸	21.18%	43.96%	63.20%	N/A	N/A
Net Asset Value per unit (\$)	68.83	68.72	41.26	N/A	N/A
Closing market price (\$)	69.28	68.43	41.24	N/A	N/A
Hedged Class A - Ratios/Supplemental Data					
Total Net Asset Value (\$) ⁵	1,514,541	518,127	17,220	N/A	N/A
Number of units outstanding ⁵	43,824	15,333	875	N/A	N/A
Management expense ratio ⁶	1.75%	1.74%	1.75%	N/A	N/A
Trading expense ratio ⁷	0.04%	0.05%	0.05%	N/A	N/A
Portfolio turnover rate ⁸	21.18%	43.96%	63.20%	N/A	N/A
Net Asset Value per unit (\$)	34.56	33.79	19.68	N/A	N/A
Hedged Class F - Ratios/Supplemental Data					
Total Net Asset Value (\$) ⁵	2,985,478	2,411,675	20	N/A	N/A
Number of units outstanding ⁵	83,563	69,407	1	N/A	N/A
Management expense ratio ⁶	0.62%	0.63%	0.00%	N/A	N/A
Trading expense ratio ⁷	0.04%	0.05%	0.05%	N/A	N/A
Portfolio turnover rate ⁸	21.18%	43.96%	63.20%	N/A	N/A
Net Asset Value per unit (\$)	35.73	34.75	19.94	N/A	N/A

5 This information is provided as at June 30, 2021 and December 31, 2020, 2019, 2018 and 2017.

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.

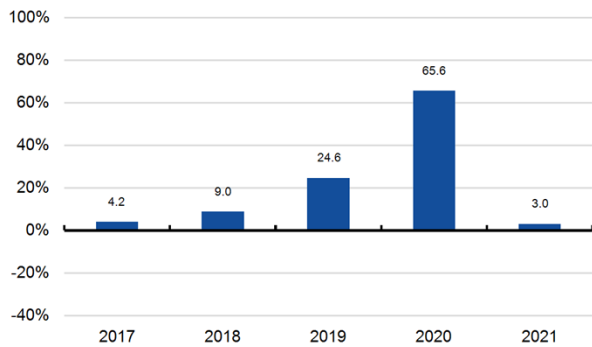
Year-by-Year Returns

The bar chart below shows the Hedged, Unhedged, US Dollar Unhedged ETF Units' and the Hedged Class A and F Mutual Fund Units' performance for each of the financial years shown and for the six-month period ended June 30, 2021. The chart shows, in percentage terms, how much an investment made in the Fund on the first day of each financial year would have grown or decreased by the last day of each financial year.

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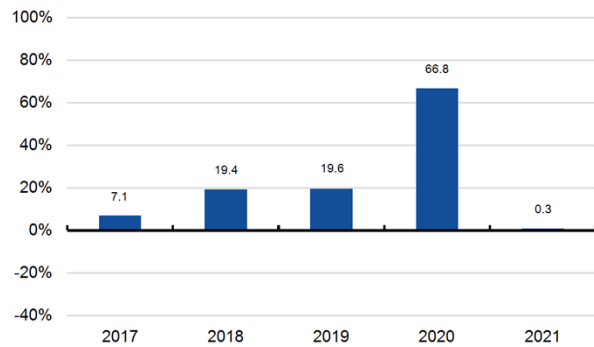
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CYBR Hedged ETF Units¹



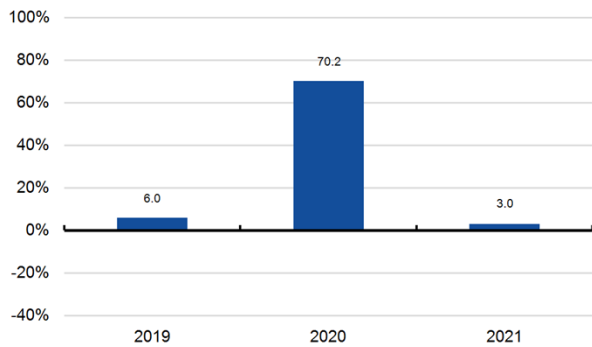
1 The Hedged ETF Units of the Fund effectively began operations on September 18, 2017.

CYBR/B Unhedged ETF Units²



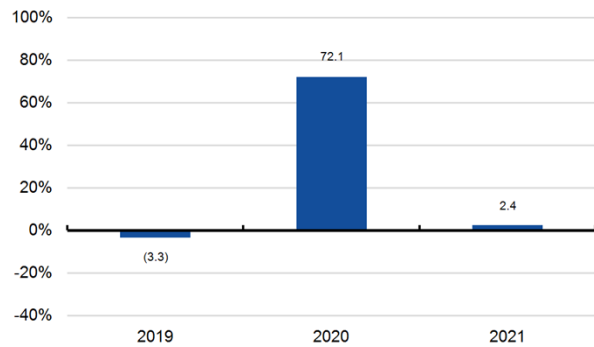
2 The Unhedged ETF Units of the Fund effectively began operations on September 18, 2017.

CYBR/U US Dollar Unhedged ETF Units³



3 The US Dollar Unhedged ETF Units of the Fund effectively began operations on May 14, 2019. Returns presented based on NAV equivalent in USD.

Hedged Class A Mutual Fund Units⁴

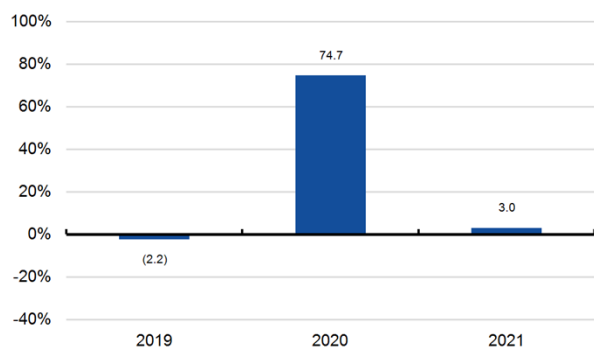


4 The Hedged Class A Mutual Fund Units of the Fund effectively began operations on April 23, 2019.

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Hedged Class F Mutual Fund Units⁵



⁵ The Hedged Class F Mutual Fund Units of the Fund effectively began operations on April 23, 2019.

Summary of Investment Portfolio

Top 25 Positions

	Percentage of Net Asset Value (%)
Security	
CrowdStrike Holdings Inc.	9.0
Fortinet Inc.	8.7
Zscaler Inc.	8.3
Palo Alto Networks Inc.	7.5
Okta Inc.	7.2
Check Point Software Technologies Limited	6.1
GDS Holdings Limited, ADR	5.2
Booz Allen Hamilton Holding Corporation, Class 'A'	4.4
Proofpoint Inc.	3.7
Trend Micro Inc.	2.8
BlackBerry Limited	2.6
CACI International Inc.	2.5
Fastly Inc.	2.3
Varonis Systems Inc.	2.2
Netcompany Group AS	2.1
Rapid7 Inc.	1.9
CyberArk Software Limited	1.9
FireEye Inc.	1.8
McAfee Corporation	1.7
SailPoint Technologies Holding Inc.	1.7
Tenable Holdings Inc.	1.6
Qualys Inc.	1.5
NEXTDC Limited	1.5
Mimecast Limited	1.3
Switch Inc.	1.0
Total	90.5

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Industry Allocation

Portfolio by Category	Percentage of Net Asset Value (%)
Equities	
Communication Services	0.3
Industrials	6.9
Information Technology	93.0
Derivative Assets	0.0
Derivative Liabilities	(0.3)
Cash and Cash Equivalents	(0.1)
Other Assets, less Liabilities	0.2
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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