

# Evolve Innovation Index Fund

December 31, 2021

Annual Management Report of Fund Performance

This annual management report of fund performance contains financial highlights but does not contain the complete annual financial statements of the investment fund. You can get a copy of the annual 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](http://www.evolveetfs.com) or SEDAR at [www.sedar.com](http://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

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The Evolve Innovation Index Fund (the "Fund") seeks to replicate, to the extent reasonably possible and before fees and expenses, the performance of the Solactive Global Innovation Index. The Solactive Global Innovation Index has been designed to reflect the performance of equity securities of companies listed domestically or internationally that are involved in innovative and disruptive trends across a broad range of industries.

## Risk

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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

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For the year ended December 31, 2021, Hedged ETF Units returned 12.2% versus the Solactive Global Innovation PR Index CAD hedged return of 18.2%. The Hedged Class A Mutual Fund Units returned 10.7% and the Hedged Class F Mutual Fund Units returned 12.1% versus the Solactive Global Innovation PR Index CAD hedged return of 18.2%. 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. Since the US Dollar Unhedged ETF Units effectively began operation on January 7, 2021, no performance data can be shown. The Fund's net assets were \$128.3MM as at December 31, 2021.

## Portfolio Manager Commentary

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In 2021, the automotive industry was driven by a range of innovative developments, among them AI-based automated inspections, the use of big data to inform design and production, and human-machine interfaces that have reinvented the manufacturing processes. The push for electric and driverless cars was strengthened by advancements in machine learning and IoT. These developments have enabled new business models in shared ownership of vehicles, analytics-driven maintenance, safety improvements, emergence of solutions that enable vehicles to securely communicate and transact over a network.(i)

As EVs gain a stronghold, the speed at which automakers will likely phase out combustion engines and the carbon dioxide they emit remained a pivotal issue for the global auto industry. However, estimates of EV adoption varied widely among industry participants and government officials. In December, a group of automakers and countries signed a statement calling for the phase-out of combustion vehicles globally by 2040, and by 2035 in richer nations.(ii)

According to the results of a KPMG survey of 1,000 auto industry executives, three-quarters of them said EVs can achieve mass adoption in 10 years. They expect that EVs will make up just over half of new vehicle sales in the United States, China, and Japan by 2030.(iii)

In the battery space, Volkswagen entered into three new partnerships related to EV batteries, including the materials technology group Umicore; battery specialist 24M Technologies; and Vulcan Energy Resources, which is planning to open a lithium brine project in Germany. General Motors also announced a joint venture with South Korea's POSCO Chemical to build a new cathode materials facility in North America by 2024.(iv)

In the robotics space, the past five years have seen robots move from a developing technology in a number of sectors to an indispensable tool supporting operations across a vast range of enterprises including logistics, manufacturing, materials handling, inspection, healthcare, construction, and delivery.(v)

For instance, DHL's supply-chain unit doubled its use of robots in the U.S. this year and now has about 1,500 picking robots at its warehouses across the country. Robots have helped the parcel-delivery company to stay current on its orders, despite bottlenecks and higher labor costs amid supply chain disruptions.(vi)

In 2021, the demand for cloud strategies increased, accompanied by higher spending resulting from greater-than-expected cloud usage due to at-home working conditions triggered by the COVID-19 pandemic.

According to the Flexera 2021 State of the Cloud Report, enterprises have almost entirely embraced multi-cloud, with 92% reporting use of a multi-cloud strategy and 82% taking a hybrid approach, that is, combining the use of both public and private clouds.(vii) Thirty-six percent of enterprises reported that their annual spend exceeded \$12 million, while 83% reported that cloud spend exceeded \$1.2 million per year, representing a significant increase over 2020.(viii)

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Amazon revealed a variety of new tools designed to support its Amazon Web Services (AWS) arm at its AWS re:Invent 2021 conference. The tools include effortless machine learning models, fortified artificial intelligence, robotics technology, and data lakes which are aimed at bolstering AWS data and analytics infrastructures, and enhance user efficiency across Amazon's cloud computing platform.(ix)

The company also announced the launch of AWS IoT TwinMaker which allows developers to easily create digital twins of real-time systems such as factories, industrial equipment, and product lines; as well as its IoT FleetWise tool which is specifically tailored for automakers to efficiently collect, transform, and transfer vehicle data in the cloud at a faster rate.(x)

In the 5G space, Verizon, a holding of this Fund, announced that it has exceeded its year-end target of 14,000 new 5G Ultra Wideband cells sites, providing phone service to parts of 87 U.S. cities, 5G Home to parts of 65 cities and 5G Business Internet to parts of 62 cities. Its' expansion has supported an increase in 5G Ultra Wideband data use of more than 750% year to date in advance of its C-Band spectrum commercial deployment, which is expected to cover 100 million additional customers before the end of March 2022. Verizon now has 5G Home available in five times the number of markets compared to 2020, and 5G Business Internet in nearly three times the number of cities originally projected for 2021.(xi)

On the back of an increasingly competitive landscape, banks have been working to modernize their offerings and pursue mergers and acquisitions. According to S&P, heightened digital adoption and cost-cutting efforts prompted net branch closures totaling 3,609 over the 12-month period ending August 31, 2021.(xii) Fintech companies in the U.S. attracted nearly \$7.5 billion in venture capital funding in the second quarter of 2021 across 194 transactions, up nearly 70% year over year.(xiii)

The games market experienced steady growth in 2021, buoyed by higher consumer spending during COVID-19 lockdown conditions. It was expected to generate total revenues of \$180.3 billion for the year, up by 1.4% over last year.(xiv)

Incidentally, the audiences for games and gaming content have continued to grow, reaching some 3 billion players, representing a 5.3% increase over 2020. The Asia-Pacific region accounted for 55% of all players.(xv)

While console and PC saw slight declines in growth due to thinner release calendars, mobile game spending continued to increase and was expected to reach \$89.6 billion from across the App Store and Google Play globally.(xvi)

The cloud gaming market, on the other hand, generated more than twice as much revenues in 2021 than it did in 2020.(xvii) It benefitted from greater use of smartphones, especially 5G-ready devices. In 2021, the global number of active smartphones reached 4.6 billion (+5.7% year on year), among which 15.4%, or 703.5 million, are 5G-ready. This represents a year-on-year growth of +230.9% in the number of active 5G-ready smartphones worldwide.(xviii) benefitting the growth of cloud gaming.

To deal with the growing cybersecurity threat, spending worldwide is expected to rise an estimated 13% in 2021 to \$172 billion, according to market research firm Gartner, accelerating from 8% growth in 2020.(xix)

The U.S. government pledged to step up its approach to fighting computer crimes. In September, the Treasury Department said it will sanction cryptocurrency exchanges, insurance companies and financial institutions that facilitate ransomware payments in an effort to make it more challenging to ransom U.S. companies.(xx)

Palo Alto Networks, CrowdStrike and Mandiant are taking part in the Joint Cyber Defense Collaborative, or JCDC, set up by the Biden administration in August to improve cybersecurity.

Qualcomm Wireless Communication Technologies (China) Ltd. and Z-ONE TECH announced a strategic cooperation relationship to deliver intelligent cockpit experiences by utilizing the 4th Generation Snapdragon Cockpit Platforms with Z-ONE TECH's Galaxy Full Stack Solution 3.0. from Qualcomm International (Shanghai) Co., Ltd.(xxi)

Ericsson, Qualcomm Technologies, Inc. (both holdings of this Fund), and Telstra achieved the highest uplink peak rate ever recorded on a commercial network during a live demo in Queensland, Australia. Together, they reached an uplink data speed of close to 1Gbps, paving the way for more seamless experiences in cases such as live video streaming and social media content sharing.(xxii)

During the annual Snapdragon Tech Summit 2021, Qualcomm Technologies, Inc. introduced its latest premium 5G mobile platform, Snapdragon 8 Gen 1. The new Snapdragon 8 leads the way into a new era of premium mobile technology equipped with cutting-edge 5G, AI, gaming, camera, and Wi-Fi and Bluetooth technologies to transform the next generation of flagship devices.(xxiii)

Nvidia Inc., a holding of this Fund, reported fiscal third-quarter earnings of \$1.17, adjusted, versus \$1.11 expected, up 60% year over year; and revenue of \$7.10 billion versus \$6.82 billion expected, up 50% year over year.

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Nvidia said it expects to report around \$7.4 billion in the current quarter, ending in January, higher than analyst expectations of \$6.86 billion. The company has had more demand than it can fill, especially for its hard-to-find GeForce graphics cards that are popular with gamers. It has also made significant gains in data centers, where cloud providers and big enterprises are turning to graphics processors made by Nvidia for artificial intelligence applications.(xxiv)

According to the research report "Genomics Market - Forecast and Analysis Report 2021-2025", it was expected that the genomics market will witness a YOY growth of 9.71% in 2021. Factors such as increasing investments in research and development of genomics are fueling global genomics market growth. In addition, countries such as the U.S., UK, France, Germany, and China have been encouraging the development of precision medicines and personalized therapies in the region.(xxv)

Bristol Myers Squibb, a holding of this Fund, announced in December that its Board of Directors approved an increase in the quarterly dividend to \$0.54 per share and authorized an additional multi-year share repurchase program of \$15 million of the company's common stock. The dividend increase, the 13th consecutive annual increase, represents a 10.2% increase in the quarterly dividend over last year's quarterly rate of \$0.49 per share.(xxvi) Bristol Myers also reported third quarter revenues of \$11.6 Billion, an increase of 10% YoY, with earnings per share of \$0.69.(xxvii)

## Performance Attribution

The Fund tracks a benchmark index designed to expose investors to returns in eight sectors: automobile innovation, robotics and automation, video gaming, cloud computing, cybersecurity, 5G, genomics, and fintech. The best-performing stock in the Fund for the 12-month period ending December 31, 2021 was Galaxy Digital Holdings Ltd, followed by BioNTech SE, and Nvidia Corp. By weight, the Fund's largest exposures at the end of the period were to Qualcomm Inc, Nvidia Corp., and Marvel Technology Inc.

(i) <https://www.startup-insights.com/innovators-guide/automotive-industry-trends-10-innovations-that-will-impact-automotive-companies-in-2020-beyond/>

(ii) <https://driving.ca/auto-news/industry/evs-will-own-half-of-u-s-china-markets-by-2030-auto-execs-tell-survey>

(iii) <https://driving.ca/auto-news/industry/evs-will-own-half-of-u-s-china-markets-by-2030-auto-execs-tell-survey>

(iv) <https://finance.yahoo.com/news/volkswagen-closes-three-partnerships-amp-165331036.html>

(v) <https://www.zdnet.com/article/2022-robotics-predictions-from-industry-leading-execs/>

(vi) <https://www.bnnbloomberg.ca/dhl-doubles-robots-as-humans-alone-can-t-handle-holiday-crunch-1.1694244>

(vii) <https://www.flexera.com/blog/cloud/cloud-computing-trends-2021-state-of-the-cloud-report/>

(viii) <https://www.flexera.com/blog/cloud/cloud-computing-trends-2021-state-of-the-cloud-report/>

(ix) <https://venturebeat.com/2021/12/02/reinvent-ing-cloud-computing-amazons-decade-of-innovation-for-aws/>

(x) <https://venturebeat.com/2021/12/02/reinvent-ing-cloud-computing-amazons-decade-of-innovation-for-aws/>

(xi) <https://www.verizon.com/about/news/verizon-5g-ultra-wideband-rapid-c-band-expansion>

(xii) <https://markets.businessinsider.com/news/stocks/s-p-global-market-intelligence-2022-banking-industry-outlook-says-pandemic-response-proves-double-edged-sword-for-u-s-banks-1030948565>

(xiii) <https://markets.businessinsider.com/news/stocks/s-p-global-market-intelligence-2022-banking-industry-outlook-says-pandemic-response-proves-double-edged-sword-for-u-s-banks-1030948565>

(xiv) <https://newzoo.com/insights/articles/the-games-market-in-2021-the-year-in-numbers-esports-cloud-gaming/>

(xv) <https://newzoo.com/insights/articles/the-games-market-in-2021-the-year-in-numbers-esports-cloud-gaming/>

(xvi) <https://www.deccanherald.com/business/mobile-game-spending-in-2021-to-reach-896bn-globally-1058843.html>

(xvii) <https://newzoo.com/insights/articles/the-games-market-in-2021-the-year-in-numbers-esports-cloud-gaming/>

(xviii) <https://newzoo.com/insights/articles/the-games-market-in-2021-the-year-in-numbers-esports-cloud-gaming/>

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(xix) <https://www.investors.com/news/technology/cybersecurity-stocks-could-see-more-upside-from-ransomware-attacks/>

(xx) <https://www.cnet.com/tech/services-and-software/hacks-ransomware-and-data-privacy-dominated-cybersecurity-in-2021/>

(xxi) <https://www.qualcomm.com/news/releases/2021/12/31/qualcomm-and-z-one-tech-build-strategic-relationship-and-work-together>

(xxii) <https://www.qualcomm.com/news/releases/2021/12/16/ericsson-telstra-and-qualcomm-set-uplink-speed-record-close-1-gbps-using-5g>

(xxiii) <https://www.qualcomm.com/news/releases/2021/11/30/qualcomm-announces-worlds-most-advanced-mobile-platform-snapdragon-8-gen-1>

(xxiv) <https://www.cnbc.com/2021/11/17/nvidia-nvda-earnings-q3-2022.html>

(xxv) [https://finance.yahoo.com/news/genomics-market-size-grow-usd-143000922.html?fr=yhssrp\\_catchall](https://finance.yahoo.com/news/genomics-market-size-grow-usd-143000922.html?fr=yhssrp_catchall)

(xxvi) <https://news.bms.com/news/corporate-financial/2021/Bristol-Myers-Squibb-Announces-Dividend-Increase-and-Additional-15-Billion-Share-Repurchase-Authorization/default.aspx>

(xxvii) <https://news.bms.com/news/corporate-financial/2021/Bristol-Myers-Squibb-Reports-Third-Quarter-Financial-Results-for-2021/default.aspx>

## Recent Developments

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### COVID-19 Pandemic

In the year 2021, the COVID-19 pandemic persisted and continued to result 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.

### Ukraine-Russian Federation Conflict

Subsequent to December 31, 2021, the escalating conflict between Ukraine and the Russian Federation has resulted in significant volatility and uncertainty in financial markets. NATO, EU and G7 member countries, including Canada, have imposed severe and coordinated sanctions against Russia. Restrictive measures have also been imposed by Russia and some securities have materially declined in value and/or may no longer be tradable. These actions have resulted in significant disruptions to investing activities and businesses with operations in Russia. The longer-term impact to geopolitical norms, supply chains and investment valuations is uncertain.

## Related Party Transactions

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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 Manager is entitled to an annual management fee of 0.40% of the net asset value of the Hedged ETF Units, the 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 year ended December 31, 2021, the Fund incurred \$181,508 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](http://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 year ended December 31, 2021, the Fund incurred \$163,645 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.

## 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 Unit<sup>1</sup>

For the periods ended:	December 31, 2021 (\$)	December 31, 2020 (\$)	December 31, 2019 (\$)	December 31, 2018 (\$)
<b>Hedged ETF Units - Net Assets per Unit</b>				
Net Assets per Unit, beginning of period	35.71	22.99	17.35	19.91
<b>Increase (decrease) from operations:</b>				
Total revenue	0.24	0.21	0.15	0.11
Total expenses	(0.19)	(0.20)	(0.14)	(0.11)
Realized gains (losses)	2.94	4.30	0.64	(0.10)
Unrealized gains (losses)	0.32	9.85	4.99	(4.07)
<b>Total increase (decrease) from operations<sup>3</sup></b>	<b>3.31</b>	<b>14.16</b>	<b>5.64</b>	<b>(4.17)</b>
<b>Distributions:</b>				
From dividends	(0.02)	(0.02)	(0.02)	-
Return of capital	-	-	-	(0.02)
<b>Total annual distributions<sup>4</sup></b>	<b>(0.02)</b>	<b>(0.02)</b>	<b>(0.02)</b>	<b>(0.02)</b>
<b>Net Assets per Unit, end of period</b>	<b>40.04</b>	<b>35.71</b>	<b>22.99</b>	<b>17.35</b>
<b>US Dollar Unhedged ETF Units - Net Assets per Unit<sup>5</sup></b>				
Net Assets per Unit, beginning of period <sup>2</sup>	26.10	N/A	N/A	N/A
<b>Increase (decrease) from operations:</b>				
Total revenue	0.17	N/A	N/A	N/A
Total expenses	(0.13)	N/A	N/A	N/A
Realized gains (losses)	1.73	N/A	N/A	N/A
Unrealized gains (losses)	0.94	N/A	N/A	N/A
<b>Total increase (decrease) from operations<sup>3</sup></b>	<b>2.71</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<b>Distributions:</b>				
From dividends	(0.02)	N/A	N/A	N/A
Return of capital	(0.01)	N/A	N/A	N/A
<b>Total annual distributions<sup>4</sup></b>	<b>(0.03)</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<b>Net Assets per Unit, end of period</b>	<b>28.44</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>

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## The Fund's Net Assets Per Unit<sup>1</sup> (cont'd)

For the periods ended:	December 31, 2021 (\$)	December 31, 2020 (\$)	December 31, 2019 (\$)	December 31, 2018 (\$)
<b>Hedged Class A - Net Assets per Unit</b>				
Net Assets per Unit, beginning of period	34.30	21.24	18.42	N/A
<b>Increase (decrease) from operations:</b>				
Total revenue	0.23	0.21	0.14	N/A
Total expenses	(0.60)	(0.49)	(0.02)	N/A
Realized gains (losses)	2.50	5.92	0.80	N/A
Unrealized gains (losses)	0.09	12.30	0.32	N/A
<b>Total increase (decrease) from operations<sup>3</sup></b>	<b>2.22</b>	<b>17.94</b>	<b>1.24</b>	<b>N/A</b>
<b>Distributions:</b>				
From dividends	-	(0.02)	-	N/A
From capital gains	(0.01)	-	-	N/A
Return of capital	(0.01)	-	-	N/A
<b>Total annual distributions<sup>4</sup></b>	<b>(0.02)</b>	<b>(0.02)</b>	<b>-</b>	<b>N/A</b>
<b>Net Assets per Unit, end of period</b>	<b>37.95</b>	<b>34.30</b>	<b>21.24</b>	<b>N/A</b>
<b>Hedged Class F - Net Assets per Unit</b>				
Net Assets per Unit, beginning of period	34.07	21.00	18.35	N/A
<b>Increase (decrease) from operations:</b>				
Total revenue	0.23	0.19	0.06	N/A
Total expenses	(0.18)	(0.22)	(0.10)	N/A
Realized gains (losses)	2.45	8.05	0.03	N/A
Unrealized gains (losses)	0.19	14.30	0.25	N/A
<b>Total increase (decrease) from operations<sup>3</sup></b>	<b>2.69</b>	<b>22.32</b>	<b>0.24</b>	<b>N/A</b>
<b>Distributions:</b>				
From dividends	(0.02)	(0.01)	-	N/A
From capital gains	-	(0.01)	-	N/A
Return of capital	-	-	(0.01)	N/A
<b>Total annual distributions<sup>4</sup></b>	<b>(0.02)</b>	<b>(0.02)</b>	<b>(0.01)</b>	<b>N/A</b>
<b>Net Assets per Unit, end of period</b>	<b>38.17</b>	<b>34.07</b>	<b>21.00</b>	<b>N/A</b>

- This information is derived from the Fund's audited annual financial statements as at December 31, 2021, 2020, 2019, and 2018. The Hedged ETF Units effectively began operations on April 30, 2018 and the US Dollar Unhedged ETF Units effectively began operations on January 7, 2021. The Hedged Class A and F mutual fund units effectively began operations on June 4, 2019.
- This amount represents the initial launch price.
- 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.
- Distributions were paid in cash or reinvested in additional units of the Fund, or both. Actual distributions may vary slightly owing to rounding.
- Per unit figures are stated in CAD equivalent.

## The Fund's Ratios/Supplemental Data

For the periods ended:	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018
<b>Hedged ETF Units - Ratios/Supplemental Data</b>				
Total Net Asset Value (\$) <sup>5</sup>	110,102,937	40,178,061	11,493,197	11,280,089
Number of units outstanding <sup>6</sup>	2,750,000	1,125,000	500,000	650,000
Management expense ratio <sup>7</sup>	0.33%	0.50%	0.48%	0.60%
Trading expense ratio <sup>8</sup>	0.09%	0.14%	0.12%	0.15%
Portfolio turnover rate <sup>9</sup>	86.47%	82.42%	92.88%	20.34%
Net Asset Value per unit (\$)	40.04	35.71	22.99	17.35
Closing market price (\$)	40.15	35.72	23.01	17.37

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

For the periods ended:	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018
<b>US Dollar Unhedged ETF Units - Ratios/Supplemental Data</b>				
Total Net Asset Value (\$) <sup>6</sup>	5,688,798	N/A	N/A	N/A
Number of units outstanding <sup>6</sup>	200,000	N/A	N/A	N/A
Management expense ratio <sup>7</sup>	0.33%	N/A	N/A	N/A
Trading expense ratio <sup>8</sup>	0.09%	N/A	N/A	N/A
Portfolio turnover rate <sup>9</sup>	86.47%	N/A	N/A	N/A
Net Asset Value per unit (\$)	28.44	N/A	N/A	N/A
Closing market price (\$)	28.46	N/A	N/A	N/A
<b>Hedged Class A - Ratios/Supplemental Data</b>				
Total Net Asset Value (\$) <sup>6</sup>	3,296,352	909,640	21	N/A
Number of units outstanding <sup>6</sup>	86,850	26,516	1	N/A
Management expense ratio <sup>7</sup>	1.45%	1.55%	-	N/A
Trading expense ratio <sup>8</sup>	0.09%	0.14%	0.12%	N/A
Portfolio turnover rate <sup>9</sup>	86.47%	82.42%	92.88%	N/A
Net Asset Value per unit (\$)	37.95	34.30	21.24	N/A
<b>Hedged Class F - Ratios/Supplemental Data</b>				
Total Net Asset Value (\$) <sup>6</sup>	9,194,912	2,026,134	5,030	N/A
Number of units outstanding <sup>6</sup>	240,925	59,476	239	N/A
Management expense ratio <sup>7</sup>	0.33%	0.55%	0.54%	N/A
Trading expense ratio <sup>8</sup>	0.09%	0.14%	0.12%	N/A
Portfolio turnover rate <sup>9</sup>	86.47%	82.42%	92.88%	N/A
Net Asset Value per unit (\$)	38.17	34.07	21.00	N/A

6 This information is provided as at December 31, 2021, 2020, 2019, and 2018.

7 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.

8 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.

9 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.

Since the US Dollar Unhedged ETF Units with inception date January 7, 2021 is a reporting issuer for less than one year, providing performance data for the period is not permitted.

## Year-by-Year Returns

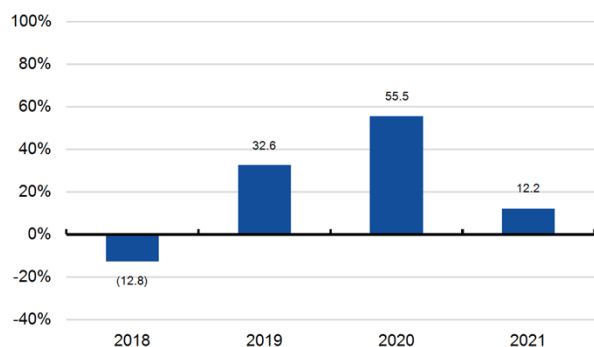
The bar chart below shows the Hedged ETF Units' and the Hedged Class A and F Mutual Fund Units' performance for each of the financial years shown. The chart shows, in percentage terms, how much an investment made in the Fund on the first day of each financial year would have grown or decreased by the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



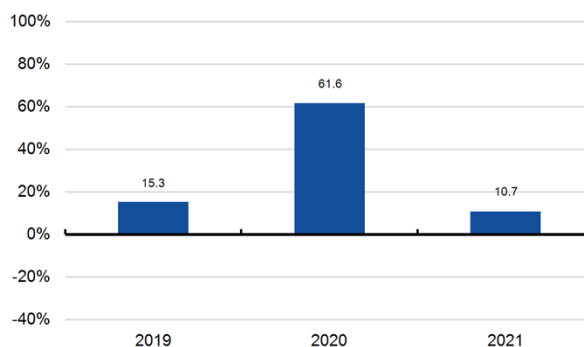
# Evolve Innovation Index Fund

December 31, 2021

## EDGE Hedged ETF Units<sup>1</sup>



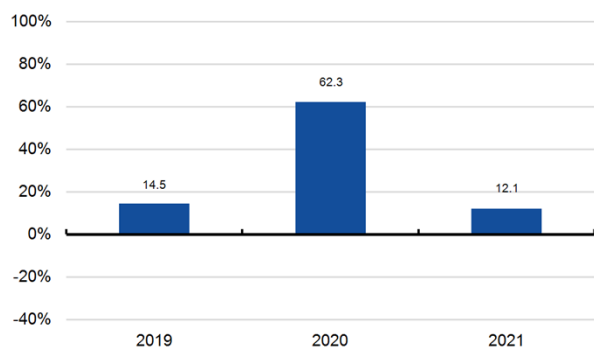
## Hedged Class A Mutual Fund Units<sup>2</sup>



1 The Hedged ETF Units effectively began operations on April 30, 2018.

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

## Hedged Class F Mutual Fund Units<sup>3</sup>



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

## Annual Compound Return

The table below shows the historical annual compound total return of the Hedged ETF Units and the Hedged Class A and F Mutual Fund Units. The returns are for period ended December 31, 2021. For a discussion of the relative performance of the Fund as compared to the index, please refer to the "Results of Operations" section in the "Management Discussion of Fund Performance".

	Since Inception <sup>1</sup> (%)	1 Year (%)	3 Year (%)
Hedged ETF Units	21.0	12.2	32.2
Solactive Global Innovation PR Index CAD hedged	22.9	18.2	35.2
Hedged Class A Mutual Fund Units	32.4	10.7	N/A
Solactive Global Innovation PR Index CAD hedged	34.5	18.2	N/A
Hedged Class F Mutual Fund Units	32.9	12.1	N/A
Solactive Global Innovation PR Index CAD hedged	34.5	18.2	N/A

1 From inception date of April 30, 2018 for the Hedged ETF Units and from inception date of June 4, 2019 for the Hedged Class A and F Mutual Fund Units.

# Evolve Innovation Index Fund

December 31, 2021

## Summary of Investment Portfolio

### Top 25 Positions

	Percentage of Net Asset Value (%)
Security	
Evolve Automobile Innovation Index ETF	12.9
Evolve E-Gaming Index ETF	12.6
Evolve Cloud Computing Index Fund	12.2
Evolve Cyber Security Index ETF	12.1
QUALCOMM Inc.	3.4
NVIDIA Corporation	1.7
Marvell Technology Inc.	1.6
Advanced Micro Devices Inc.	1.6
Mettler-Toledo International Inc.	1.5
Intuit Inc.	1.5
Sony Group Corporation, ADR	1.4
Microchip Technology Inc.	1.4
PerkinElmer Inc.	1.4
Corteva Inc.	1.3
Bristol-Myers Squibb Company	1.3
Intuitive Surgical Inc.	1.3
FANUC Corporation, ADR	1.3
Waters Corporation	1.3
Samsung Electronics Company Limited	1.3
Keyence Corporation	1.3
Agilent Technologies Inc.	1.2
Mastercard Inc., Class 'A'	1.2
Verizon Communications Inc.	1.2
Fiserv Inc.	1.2
T-Mobile US Inc.	1.2
<b>Total</b>	<b>80.4</b>

### Industry Allocation

Portfolio by Category	Percentage of Net Asset Value (%)
<b>Equities</b>	
Communication Services	6.7
Consumer Discretionary	1.4
ETFs - International Equity	49.7
Health Care	12.3
Industrials	1.3
Information Technology	25.7
Materials	1.3
Derivative Assets	1.1
Derivative Liabilities	(0.0)
Cash and Cash Equivalents	1.0
Other Assets, less Liabilities	(0.5)
<b>Total</b>	<b>100.0</b>

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](http://www.evolveetfs.com).



**Evolve Innovation Index Fund**