

# Evolve Future Leadership 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 Future Leadership Fund (the "Fund") seeks to provide holders of units with long-term capital appreciation by investing primarily in a diversified mix of equity securities of companies located domestically or internationally that the portfolio manager has determined are leaders in sectors that stand to benefit from medium and long term economic trends. The portfolio manager will use a selection process that combines quantitative techniques, fundamental analysis and risk management. The portfolio manager will also write covered call options on up to 33% of the portfolio securities, at its discretion. The level of covered call option writing may vary based on market volatility and other factors.

## Risk

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Effective August 16, 2021, the risk rating of the Unhedged ETF Units of the Fund was changed from "Medium" to "Low to Medium". 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, the Hedged ETF Units returned 14.2%. The Unhedged ETF Units returned 13.5%. The US Dollar Unhedged ETF Units returned 14.2%. The Fund's net assets were \$59.3MM as at December 31, 2021.

## Portfolio Manager Commentary

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The Evolve Future Leadership Fund (LEAD) was established in September 2020 to provide investors with access to the leading companies of today and the future companies of tomorrow, through four categories of leadership: Finance, Healthcare, Technology, and Media & Entertainment.

## Finance

U.S. banks posted strong profits in 2021, albeit declining by 1.2% at the end of the third quarter, as they were slower to shrink their credit loss provisions and grappled with low interest rates, according to the Federal Deposit Insurance Corporation. While 96% of all banks were profitable, two-thirds of them reported annual profit growth.(i)

The performance of U.S. banks was buoyed by strong capital markets and easy monetary conditions. The four largest U.S. consumer banks, JPMorgan Chase & Co, Citigroup, Well Fargo & Co, and Bank of America Corp reported a combined profit of \$28.7 billion for the third quarter, beating analysts' estimates.(ii)

Signature Bank and SVB Financial Group, owned by this Fund, made impressive gains for the third quarter, reporting gains of 11.3% and 10.0%, respectively.(iii) SVB Financial Group acquired Boston Private Financial Holdings, Inc. the parent company of Boston Private Bank & Trust Company, a leading provider of integrated wealth management, trust, and banking services to individuals, families, businesses, and nonprofits.(iv)

PayPal, owned by this Fund, which last year added the ability for users to buy, hold, and sell cryptocurrency, announced they will now allow customers who hold Bitcoin or other digital currencies to convert their holdings into fiat currencies at checkouts to make purchases. The crypto payments will work the same as credit or debit cards currently do within a PayPal wallet. By pushing cryptocurrency as a payment method to its 29 million+ online merchants, PayPal makes itself one of the largest mainstream financial companies to open its network to cryptocurrencies.(v) PayPal will also allow users to withdraw cryptocurrency held in PayPal accounts off-platform and into third-party wallets.(vi)

Google and Shopify Inc., both held by the Fund, announced a partnership to allow more merchants to sell across Google properties and boost the search giant's e-commerce business. With the new integration, Shopify's 1.7 million merchants can more easily list items on Google's Shopping site, as well as other properties such as Maps and YouTube.

Coinbase Global, held by this Fund, the largest crypto exchange in the U.S., went public on the Nasdaq in April at a valuation of nearly \$100 billion. Coinbase shares began trading at \$381 a share, a more than 50% jump from the reference price for its stock of \$250 a share. The company listed its shares directly on the Nasdaq, as opposed to selling new stock through an initial public offering.(vii)

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## Healthcare

The global health care sector was dominated by challenges posed by the COVID-19 pandemic. The pace of digitization across the healthcare sector accelerated, with the adoption of digital technologies affecting everything from patient-care delivery to practice management to the development of advanced precision therapeutics.(viii)

Pharmaceutical companies like Pfizer, Johnson & Johnson, Moderna, Astra Zeneca, and Eli Lilly reported strong gains, largely related to the demand for COVID vaccines and related therapy.

Pfizer, owned by this Fund, reported that its earnings and sales more than doubled in the fourth quarter, and raised its outlook for results for the full year, buoyed by its COVID-19 vaccine. The company reported adjusted earnings of \$7.7 billion, up 133% from a year earlier. Revenue soared to \$24.1 billion, up 134%, beating analyst forecasts. The vaccine business alone was responsible for more than 60% of the company's sales. Revenue outside of its COVID-19 vaccine business was up by a modest 7%.(ix)

Thermo Fisher Scientific Inc., owned by this Fund, the world leader in serving science, announced that it has completed its acquisition of PPD, Inc., a leading global provider of clinical research services to the biopharma and biotech industry, for a purchase price of \$17.4 billion.(x)

Thermo Fisher also acquired Mesa Biotech, Inc., a privately held molecular diagnostic company, which has developed and commercialized a PCR-based rapid point-of-care testing platform for detecting various infectious diseases, including SARS-CoV-2.(xi)

In addition, Thermo Fisher acquired Henogen S.A., Novasep's viral vector manufacturing business. Novasep provides contract manufacturing services for vaccines and therapies to biotechnology companies and large biopharma customers.(xii)

Danaher Corporation, owned by this Fund, acquired Aldevron, a manufacturer of critical nucleic acids and proteins used in the production of gene and cell therapies, gene editing technologies, DNA and RNA vaccines. Aldevron will operate as a standalone operating company and brand within Danaher's Life Sciences segment.(xiii)

In November, Novo Nordisk, owned by this Fund, announced that it has entered into a definitive agreement to acquire Dicerna Pharmaceuticals (Dicerna). The acquisition of Dicerna's ribonucleic acid interference (RNAi) platform is a strategic addition to Novo Nordisk's existing research technology platforms and supports the strategy of using a broad range of technology platforms applicable across all Novo Nordisk's therapeutic focus areas.(xiv)

Novo Nordisk gained FDA approval for a weekly injection, dubbed Wegovy, for chronic weight management. Wegovy is the first weight management drug approved for chronic use in most obese and overweight adults since 2014.(xv)

## Technology

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.(xvi)

Ericsson, Qualcomm Technologies, Inc. (held by 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.(xvii)

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.(xviii)

Nvidia, held by this Fund, announced that it expects to report around \$7.4 billion in earnings in the fourth quarter, 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.(xix)

Amazon, held by this Fund, revealed a variety of new tools designed to support its Amazon Web Services (AWS) arm. 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.(xx)

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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; and 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.(xxi)

Oracle, held by this Fund, and Cerner Corporation jointly announced an agreement for Oracle to acquire Cerner through an all-cash tender offer. Cerner is a leading provider of digital information systems used within hospitals and health systems to enable medical professionals to deliver better healthcare to individual patients and communities. Cerner is expected to be a significant revenue growth engine for Oracle for years to come as Oracle expands Cerner's business to more countries internationally.(xxii)

Okta Inc., an identity verification software developer, held by this Fund, announced that it expects to see 30% annual growth through to 2024. Okta expects annual revenue of almost \$2 billion by the close of fiscal year 2024 without the need for acquisitions beyond Auth0, which Okta acquired in 2021. This projected growth comes from the ongoing dramatic boost in usership that Okta experienced due to the shift to remote work during the pandemic.

Okta Inc., was named a Leader in the Gartner® Magic Quadrant™ for Access Management for the Fifth Consecutive Year in November. Okta was recognized as having the highest to "Ability to Execute" of all vendors evaluated.

## Entertainment

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

The gaming 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.(xxiii)

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

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 globally across the App Store and Google Play.(xxv)

The cloud gaming market, on the other hand, generated more than twice as much revenues in 2021 than it did in 2020.(xxvi) 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,(xxvii) furthering the growth of cloud gaming.

The e-sports market also experienced massive success in 2021, with the number of viewers increasing by 6.7% in 2021 to reach 465.1 million people. Of these viewers, 235.5 million are occasional viewers, while the remaining 229.6 million are e-sports enthusiasts. Twitch, YouTube, and Facebook Gaming were among the channels that attracted the largest number of viewers.(xxviii)

The year was marked by a substantial number of corporate transactions, including mergers and acquisitions, strategic alliances, private investments, and IPOs. According to the investment banking firm Drake Star Partners, games industry deals surpassed an unparalleled \$71 billion in the first nine months of 2021.

Of the total of 864 deals, 228 were M&A deals, amounting to \$31.9 billion in value.(xxix) Selected M&A activity among companies held by the fund include Electronic Arts' (a holding of this Fund) acquisition of Glu Mobile; Zynga's acquisition of Chartboost, Starlark, and Echtra Games; and Activision Blizzard's acquisition of Digital Legends.(xxx) In December, Zynga Inc. also announced that it had formed a strategic alliance with Forte, a leading developer of blockchain solutions for game publishers.(xxxi)

## Performance Attribution

For the 12-month period ending December 31, 2021, the best performing stock in this Fund was Fortinet Inc, followed by Nvidia Inc. and Silvergate Capital Corp. The largest holding in this Fund was SVB Financial Group, followed by Novo Nordisk A/S and Intuit Inc.

(i) <https://www.reuters.com/business/finance/us-bank-profits-dip-slightly-banks-slow-shrinking-credit-loss-provisions-2021-11-30/>

(ii) <https://www.reuters.com/world/us/us-banks-beat-profit-estimates-economic-rebound-red-hot-markets-2021-10-14/>

(iii) <https://www.spglobal.com/marketintelligence/en/news-insights/latest-news-headlines/top-50-us-banks-in-q3-21-67833802>

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- (iv) <https://www.svb.com/news/company-news/svb-financial-group-completes-acquisition-of-boston-private2>
- (v) <https://www.reuters.com/article/us-crypto-currency-paypal-exclusive/exclusive-paypal-launches-crypto-checkout-service-idUSKBN2BM10N>
- (vi) <https://www.reuters.com/technology/paypal-allow-users-withdraw-cryptocurrency-third-party-wallets-2021-05-26/>
- (vii) <https://www.cnn.com/2021/04/14/investing/coinbase-stock-direct-listing/index.html>
- (viii) <https://www.pwc.com/gx/en/services/deals/trends/health-industries.html>
- (ix) <https://www.cnn.com/2021/11/02/business/pfizer-earnings/index.html>
- (x) <https://ir.thermofisher.com/investors/news-events/news/news-details/2021/Thermo-Fisher-Scientific-Completes-Acquisition-of-PPD-Inc/default.aspx>
- (xi) <https://www.prnewswire.com/news-releases/thermo-fisher-scientific-to-acquire-point-of-care-molecular-diagnostics-provider-mesa-biotech-301210467.html>
- (xii) <https://www.prnewswire.com/news-releases/thermo-fisher-scientific-acquires-viral-vector-manufacturing-business-from-novasep-301209241.html>
- (xiii) <https://news.abbvie.com/news/press-releases/allergan-aesthetics-completes-acquisition-soliton.htm>
- (xiv) <https://www.novonordisk.com/news-and-media/news-and-ir-materials/news-details.html?id=87435>
- (xv) <https://www.globenewswire.com/news-release/2021/06/04/2242293/0/en/Wegovy-semaglutide-2-4-mg-the-first-and-only-once-weekly-GLP-1-therapy-for-weight-management-approved-in-the-US.html>
- (xvi) <https://www.qualcomm.com/news/releases/2021/12/31/qualcomm-and-z-one-tech-build-strategic-relationship-and-work-together>
- (xvii) <https://www.qualcomm.com/news/releases/2021/12/16/ericsson-telstra-and-qualcomm-set-uplink-speed-record-close-1gbps-using-5g>
- (xviii) <https://www.qualcomm.com/news/releases/2021/11/30/qualcomm-announces-worlds-most-advanced-mobile-platform-snapdragon-8-gen-1>
- (xix) <https://www.cnbc.com/2021/11/17/nvidia-nvda-earnings-q3-2022.html>
- (xx) <https://venturebeat.com/2021/12/02/reinvent-ing-cloud-computing-amazons-decade-of-innovation-for-aws/>
- (xxi) <https://venturebeat.com/2021/12/02/reinvent-ing-cloud-computing-amazons-decade-of-innovation-for-aws/>
- (xxii) <https://www.oracle.com/news/announcement/oracle-buys-cerner-2021-12-20/>
- (xxiii) <https://newzoo.com/insights/articles/the-games-market-in-2021-the-year-in-numbers-esports-cloud-gaming/>
- (xxiv) <https://newzoo.com/insights/articles/the-games-market-in-2021-the-year-in-numbers-esports-cloud-gaming/>
- (xxv) <https://www.deccanherald.com/business/mobile-game-spending-in-2021-to-reach-896bn-globally-1058843.html>
- (xxvi) <https://newzoo.com/insights/articles/the-games-market-in-2021-the-year-in-numbers-esports-cloud-gaming/>
- (xxvii) <https://newzoo.com/insights/articles/the-games-market-in-2021-the-year-in-numbers-esports-cloud-gaming/>
- (xxviii) <https://newzoo.com/insights/articles/the-games-market-in-2021-the-year-in-numbers-esports-cloud-gaming/>
- (xxix) <https://venturebeat.com/2021/10/05/drake-star-partners-gaming-companies-have-raised-a-record-71b-in-844-deals-this-year/>
- (xxx) <https://investor.activisionblizzard.com/news-releases/news-release-details/activision-acquires-mobile-game-developer-digital-legends>

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(xxx) <https://www.bloomberg.com/press-releases/2021-12-21/zynga-and-forte-announce-strategic-partnership-to-drive-rapid-development-create-more-economic-opportunities-for-players-in>

## Recent Developments

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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.

## 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 management fees are calculated based on 0.75% per annum of the average daily net asset value of the Fund. The fees are accrued daily and generally paid monthly. For the year ended December 31, 2021, the Fund incurred \$378,682 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.

## 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 \$85,005 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 Unit<sup>1</sup>

	December 31, 2021 (\$)	December 31, 2020 (\$)
For the periods ended:		
<b>Unhedged ETF Units - Net Assets per Unit</b>		
Net Assets per Unit, beginning of period	20.80	19.85
<b>Increase (decrease) from operations:</b>		
Total revenue	0.12	0.04
Total expenses	(0.25)	(0.10)
Realized gains (losses)	0.47	(0.03)
Unrealized gains (losses)	2.29	1.69
<b>Total increase (decrease) from operations<sup>2</sup></b>	<b>2.63</b>	<b>1.60</b>
<b>Distributions:</b>		
From capital gains	(0.36)	(0.08)
Return of capital	(0.90)	(0.24)
<b>Total annual distributions<sup>3</sup></b>	<b>(1.26)</b>	<b>(0.32)</b>
<b>Net Assets per Unit, end of period</b>	<b>22.30</b>	<b>20.80</b>
<b>Hedged ETF Units - Net Assets per Unit</b>		
Net Assets per Unit, beginning of period	21.30	19.85
<b>Increase (decrease) from operations:</b>		
Total revenue	0.11	0.04
Total expenses	(0.27)	(0.06)
Realized gains (losses)	0.03	0.45
Unrealized gains (losses)	2.59	1.59
<b>Total increase (decrease) from operations<sup>2</sup></b>	<b>2.46</b>	<b>2.02</b>
<b>Distributions:</b>		
From capital gains	(0.35)	(0.08)
Return of capital	(0.91)	(0.24)
<b>Total annual distributions<sup>3</sup></b>	<b>(1.26)</b>	<b>(0.32)</b>
<b>Net Assets per Unit, end of period</b>	<b>23.01</b>	<b>21.30</b>

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

	December 31, 2021 (\$)	December 31, 2020 (\$)
For the periods ended:		
<b>US Dollar Unhedged ETF Units - Net Assets per Unit<sup>4</sup></b>		
Net Assets per Unit, beginning of period	27.37	26.11
<b>Increase (decrease) from operations:</b>		
Total revenue	0.15	0.05
Total expenses	(0.33)	(0.13)
Realized gains (losses)	0.63	(0.04)
Unrealized gains (losses)	3.19	2.08
<b>Total increase (decrease) from operations<sup>2</sup></b>	<b>3.64</b>	<b>1.96</b>
<b>Distributions:</b>		
From capital gains	(0.45)	(0.11)
Return of capital	(1.13)	(0.30)
<b>Total annual distributions<sup>3</sup></b>	<b>(1.58)</b>	<b>(0.41)</b>
<b>Net Assets per Unit, end of period</b>	<b>29.42</b>	<b>27.37</b>

- 1 This information is derived from the Fund's audited annual financial statements as at December 31, 2021 and 2020. The Hedged, Unhedged, and US Dollar Unhedged ETF Units began operations on September 10, 2020.
- 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

	December 31, 2021	December 31, 2020
For the periods ended:		
<b>Unhedged ETF Units - Ratios/Supplemental Data</b>		
Total Net Asset Value (\$) <sup>5</sup>	22,854,200	19,240,732
Number of units outstanding <sup>5</sup>	1,025,000	925,000
Management expense ratio <sup>6</sup>	0.91%	1.01%
Trading expense ratio <sup>7</sup>	0.17%	0.51%
Portfolio turnover rate <sup>8</sup>	69.42%	31.06%
Net Asset Value per unit (\$)	22.30	20.80
Closing market price (\$)	22.50	20.72
<b>Hedged ETF Units - Ratios/Supplemental Data</b>		
Total Net Asset Value (\$) <sup>5</sup>	19,554,463	5,323,823
Number of units outstanding <sup>5</sup>	850,000	250,000
Management expense ratio <sup>6</sup>	0.92%	0.39%
Trading expense ratio <sup>7</sup>	0.17%	0.51%
Portfolio turnover rate <sup>8</sup>	69.42%	31.06%
Net Asset Value per unit (\$)	23.01	21.30
Closing market price (\$)	23.15	21.28



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

For the periods ended:	December 31, 2021	December 31, 2020
<b>US Dollar Unhedged ETF Units - Ratios/Supplemental Data</b>		
Total Net Asset Value (\$) <sup>5</sup>	<b>16,917,149</b>	13,000,886
Number of units outstanding <sup>5</sup>	<b>575,000</b>	475,000
Management expense ratio <sup>6</sup>	<b>0.91%</b>	1.01%
Trading expense ratio <sup>7</sup>	<b>0.17%</b>	0.51%
Portfolio turnover rate <sup>8</sup>	<b>69.42%</b>	31.06%
Net Asset Value per unit (\$)	<b>29.42</b>	27.37
Closing market price (\$)	<b>29.45</b>	27.35

5 This information is provided as at December 31, 2021 and 2020.

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.

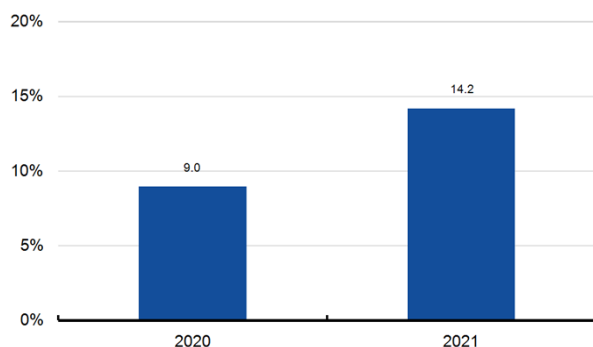
## Past Performance

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.

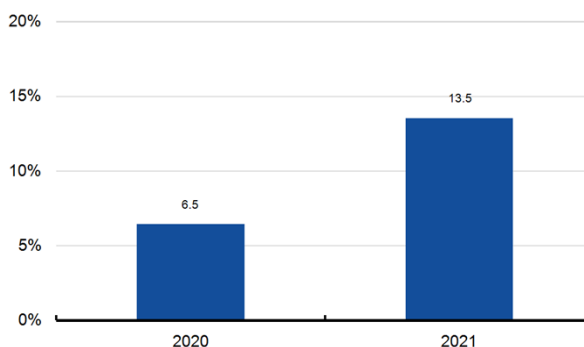
## Year-by-Year Returns

The bar chart below shows the Hedged, Unhedged, and US Dollar Unhedged ETF Units' performance for each of the financial years shown. 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.

**LEAD Hedged ETF Units<sup>1</sup>**



**LEAD/B Unhedged ETF Units<sup>2</sup>**



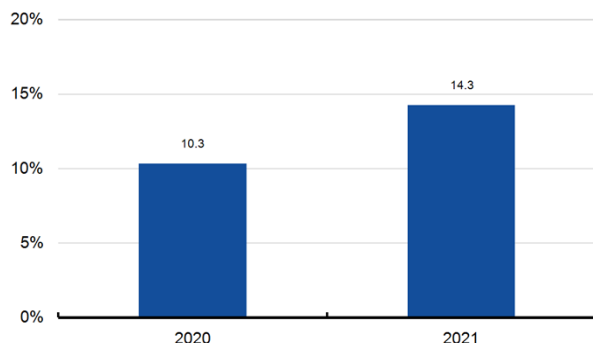
1 The Hedged ETF Units of the Fund effectively began operations on September 10, 2020

2 The Unhedged ETF Units of the Fund effectively began operations on September 10, 2020.

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## LEAD US Dollar Unhedged ETF Units<sup>3</sup>



<sup>3</sup> The US Dollar Unhedged ETF Units of the Fund effectively began operations on September 10, 2020.

## Annual Compound Return

The table below shows the historical annual compound total return of the Hedged, Unhedged, and US Dollar Unhedged ETF Units. The returns are for period ended December 31, 2021. As a basis of comparison, we have provided the performance of the MSCI World 100% Hedged to CAD Net Total Return Index, the MSCI WORLD Net Total Return CAD Index, and the MSCI World Index for the Hedged, Unhedged, and US Dollar Unhedged ETF Units, respectively. As the criteria for determining the constituents of the Fund and the Index differ, it is not expected that the Fund's performance will mirror that of the Index. Further, the return of the Index is calculated without the deduction of management fees and fund expenses whereas the performance of the Fund is calculated after deducting such fees and expenses.

	Since Inception <sup>1</sup> (%)	1 Year (%)
Hedged ETF Units	18.2	14.2
MSCI World 100% Hedged to CAD Net Total Return Index	28.9	24.0
Unhedged ETF Units	15.6	13.5
MSCI WORLD Net Total Return CAD Index	24.6	20.8
US Dollar Unhedged ETF Units	19.4	14.2
MSCI World Index	29.2	22.4

<sup>1</sup> From inception date of September 10, 2020 for the Hedged, Unhedged, and US Dollar Unhedged ETF Units.

## Summary of Investment Portfolio

### Top 25 Positions

	Percentage of Net Asset Value (%)
Security	
SVB Financial Group	4.0
Novo Nordisk AS, ADR	3.9
Intuit Inc.	3.5
UnitedHealth Group Inc.	3.4
Thermo Fisher Scientific Inc.	3.4
Evolve Cloud Computing Index Fund	3.4
Danaher Corporation	3.3
Intuitive Surgical Inc.	3.3
Evolve Metaverse ETF	3.2

# Evolve Future Leadership Fund

December 31, 2021

## Top 25 Positions (cont'd)

	Percentage of Net Asset Value (%)
Security	
Meta Platforms Inc.	3.0
The Goldman Sachs Group Inc.	3.0
Coinbase Global Inc.	2.7
Alphabet Inc., Class 'A'	2.7
Agilent Technologies Inc.	2.5
NVIDIA Corporation	2.5
Nasdaq Inc.	2.4
Twitter Inc.	2.4
Evolve Global Healthcare Enhanced Yield Fund	2.4
Amazon.com Inc.	2.3
Visa Inc., Class 'A'	2.3
Fortinet Inc.	2.3
Evolve US Banks Enhanced Yield Fund	2.2
Sea Limited, ADR	2.2
Silvergate Capital Corporation	2.0
Netflix Inc.	1.9
<b>Total</b>	<b>70.2</b>

## Industry Allocation

Portfolio by Category	Percentage of Net Asset Value (%)
<b>Equities</b>	
Communication Services	17.6
Consumer Discretionary	2.6
ETFs - International Equity	12.1
ETFs - US Equity	2.3
Financials	14.8
Health Care	24.1
Information Technology	26.3
Derivative Assets	0.6
Derivative Liabilities	(0.2)
Cash and Cash Equivalents	0.3
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 Future Leadership Fund**