

# Evolve Automobile Innovation Index Fund

June 30, 2022

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](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 Automobile Innovation Index Fund (the "Fund") seeks to replicate, to the extent reasonably possible and before fees and expenses, the performance of the Solactive Future Cars Index (the "Benchmark"), or any successor thereto. The Fund invests primarily in equity securities of companies that are directly or indirectly involved in developing electric drivetrains, autonomous driving or network connected services for automobiles.

## 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 six-month period ended June 30, 2022, Unhedged ETF Units returned -38.7% versus the Solactive Future Cars Index return of -38.5%. Hedged ETF Units returned -38.8% versus the Solactive Future Cars Index Canadian Dollar Hedged return of -38.4%. US Dollar Unhedged ETF Units returned -39.8% versus the Solactive Future Cars Index USD return of -39.8%. The Hedged Class A Mutual Fund Units returned -39.2% and the Hedged Class F Mutual Fund Units returned -38.7% versus the Solactive Future Cars Index Canadian Dollar Hedged return of -38.4%. 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 \$63.3MM as at June 30, 2022.

## Portfolio Manager Commentary

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Demand for electric vehicles (EV) was strong in the first half of the 2022, but the supply failed to keep pace with the demand largely due to a shortage of semiconductors and raw materials, as well as supply chain disruptions, resulting primarily from COVID-19 lockdowns in China and the Russia/Ukraine war.

These events triggered a sharp increase in the cost of raw materials such as cobalt, nickel, and lithium which are essential for the production of EV batteries, forcing manufacturers such as GM, Tesla, Rivian, and Lucid (all holdings in the Fund) to increase prices for new vehicles.(i)

During the period, EV manufacturers such as Volkswagen (a holding in the Fund), BMW, and Tesla ramped up their production to meet increasing demand. In June, BMW opened its third factory in China, the largest market for EVs. The company is aiming to achieve more than a quarter of its sales in China by 2025.(ii)

In March, Volkswagen announced that it was moving ahead with a plan to add a \$2.2 billion EV factory in Germany in order to keep pace with Tesla. The company said the plant will drastically cut the time it takes to manufacture the vehicles. Construction is expected to start next year, with cars rolling off the production line in 2026.(iii) According to Volkswagen's CEO, the German car giant expects to overtake Tesla on EV sales by 2025.(iv) Tesla also opened a Gigafactory in Germany, with the aim of producing 500,000 vehicles annually.

With EVs rapidly becoming mainstream, the development of charging stations became increasingly vital. According to a study by at BNEF, the number of electric vehicles on the road per public charging point jumped to 9.2, indicating a shortage of charging stations.

To address this problem, the Biden administration in the U.S. proposed new standards for its program to build a national network of 500,000 electric vehicle charging stations by 2030. According to government officials, the proposal will help establish the groundwork for states to build charging stations that are accessible to all drivers regardless of the location, EV brand, or charging company. To support this venture, the White House introduced a plan in March to allocate \$5 billion to states to fund EV chargers during the next five years.(v)

The U.S. administration also announced that private investors will pump some \$750 million in constructing charging facilities. These investments, according to the government, are expected to support the rapid deployment of up to 10,000 ultra-fast chargers at 1,800 charging stations, exceeding the number of high-power chargers available in the U.S. today.(vi) Tesla is also expected to begin production of new supercharger equipment later this year that will enable non-Tesla EV drivers in North America to use Tesla Superchargers.(vii)

In another development, Blink Charging Co. has agreed to acquire SemaConnect Inc., an EV infrastructure company. The transaction will add about 13,000 EV chargers to Blink, as well as 1,800 site host locations and 150,000 registered electric vehicle driver members.(viii)

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Starbucks is also entering the EV charging business. In a pilot this year, the company partnered with Volvo and Chargepoint to install EV chargers in its parking lots along a 1,350-mile route from Denver to Seattle, with stops available roughly every 100 miles. In the pilot, Starbucks will test usage rates and decide whether it wants to expand the service nationally as part of its larger sustainability plan.(ix)

Shell Plc is targeting a 10-fold jump in electric-vehicle charging points in the UK as part of plans to ramp up investments into cleaner energy sources. The company plans to install 100,000 chargers in the country by 2030.(x)

As EVs become mainstream, the car rental industry is transitioning to EVs. In June, Hertz's announced a \$4.2 billion deal to purchase 100,000 Tesla fully electric vehicles by the end of 2022, setting off a race among rental car agencies. Enterprise Holdings and Avis Budget Group have announced their own plans to transition away from the internal combustion engine. The \$56 billion U.S. rental industry buys about one-tenth of auto manufacturers' new cars every year.(xi)

Contemporary Amperex Technology Co. Ltd., the world's biggest maker of EV batteries, unveiled a battery that has a range of over 1,000 kilometers on a single charge, which is 13% more powerful than one planned by Tesla Inc.(xii)

Volkswagen Group plans to form joint ventures with Huayou Cobalt and Tsingshan Group to secure nickel and cobalt supplies for EVs in China, and to slash costs at a time of surging raw material prices. The move is part of a US\$33 billion push by the automaker to build a network of battery cell factories and secure more direct access to vital raw materials that are needed to supply them. The cooperation aims to achieve significant cost advantages, secure the raw material supply and achieve a transparent and sustainable supply chain.(xiii)

Though still far away from becoming mainstream, there have been several positive developments in autonomous vehicle (AV) space. In China, the auto industry is increasingly betting that drivers will want more autonomous driving features. In fact, in the first quarter, 23% of new cars sold in China came with a limited level of assisted driving, referred to as "Level 2" in a classification system for autonomous driving.(xiv)

In May, Baidu launched China's first driverless taxi service in Beijing, China. As well, Pony.ai, along with Baidu, have launched fare-charging robotaxis for the public in China. In addition, Pony.ai started a paid taxi service in May featuring 100 AVs as traditional taxis within the Nansha district of Guangzhou.(xv) In the U.S., industry leaders Waymo and Cruise expect to soon launch their own paid driverless robotaxis in San Francisco. Additionally, Waymo plans to expand its fee-charging driverless rides to downtown Phoenix, while Ford and VW-backed Argo-AI have begun operating autonomous test vehicles in Miami and Austin, Texas. As well, Argo has been testing its self-driving technology on streets in eight cities across the U.S. and Europe.(xvi)

In the meantime, Alphabet's Waymo and Uber, are partnering to speed up the adoption of driverless trucks. Waymo is integrating Uber Freight, the ride-hail company's truck brokerage, into the technology that powers its autonomous big rigs.(xvii)

On the corporate front, Tesla reported \$3.22 earnings per share, versus the expected \$2.26, on revenue of \$18.76 billion versus the expected \$17.80 billion for the period ended March 31, 2022 - beating analysts' expectations across the board. Revenue growth was driven in part by an increase in the number of cars Tesla delivered, and an increase in average sale prices.(xviii)

On the policy front, China is considering extending its EV tax exemption to put industry back on track after COVID-19 lockdowns. China's car industry lost 1 million units in production because of pandemic-related curbs across the country. The country expects the tax cuts to spur consumers to spend an extra US\$29.8 billion on EVs. On the other hand, the UK said it would scrap the last remaining subsidies for EVs, noting that the move would free up cash to expand the charging network and encourage sales of other battery-powered vehicles, such as vans, taxis, and motorcycles.(xix)

## Performance Attribution

For the six-month period ended June 30, 2022, Sono Group NV, made the largest contribution to the Fund's performance, followed by LI Auto Inc. ADR. The largest holding by weight in the Fund was LI Auto Inc. ADR, followed by Sono Group NV.

(i) <https://www.cnbc.com/2022/06/22/electric-vehicle-raw-material-costs-doubled-during-pandemic.html>

(ii) <https://www.cnbc.com/2022/06/24/bmw-opens-third-ev-plant-in-china-as-it-ramps-up-challenge-to-tesla.html>

(iii) [https://www.bloomberg.com/news/articles/2022-03-04/vw-to-build-2-2-billion-new-ev-car-plant-to-keep-up-with-tesla?cmpid=BBD030722\\_hyperdrive&utm\\_medium=email&utm\\_source=newsletter&utm\\_term=220307&utm\\_campaign=hyperdrive#xj4y7vzk](https://www.bloomberg.com/news/articles/2022-03-04/vw-to-build-2-2-billion-new-ev-car-plant-to-keep-up-with-tesla?cmpid=BBD030722_hyperdrive&utm_medium=email&utm_source=newsletter&utm_term=220307&utm_campaign=hyperdrive#xj4y7vzk)

(iv) <https://www.cnbc.com/2022/05/24/volkswagen-ceo-says-carmaker-will-overtake-tesla-on-ev-sales-by-2025.html>

(v) <https://www.cnbc.com/2022/06/24/bmw-opens-third-ev-plant-in-china-as-it-ramps-up-challenge-to-tesla.html>

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- (vi) <https://www.cnn.com/2022/06/09/biden-announces-standards-for-electric-vehicle-charging-stations.html>
- (vii) <https://insideevs.com/news/595182/white-house-welcomes-700-million-usd-private-us-investments-ev-charging/>
- (viii) <https://www.bloomberg.com/news/articles/2022-07-05/northvolt-is-said-to-keep-12-billion-valuation-after-new-round#xj4y7vzkg>
- (ix) [https://www.fastcompany.com/90730929/starbucks-wants-to-become-the-gas-station-of-the-future-for-evs?partner=rss&utm\\_source=rss&utm\\_medium=feed&utm\\_campaign=rss+fastcompany&utm\\_content=rss](https://www.fastcompany.com/90730929/starbucks-wants-to-become-the-gas-station-of-the-future-for-evs?partner=rss&utm_source=rss&utm_medium=feed&utm_campaign=rss+fastcompany&utm_content=rss)
- (x) <https://financialpost.com/pmn/business-pmn/shell-plans-10-fold-jump-in-uk-electric-vehicle-charging-points>
- (xi) <https://www.cnn.com/2022/06/18/how-the-massive-ev-transition-is-starting-in-the-car-rental-industry.html>
- (xii) <https://finance.yahoo.com/news/catl-unveils-ev-battery-one-093935625.html>
- (xiii) <https://europe.autonews.com/automakers/vw-forms-asian-jvs-secure-battery-materials-supply#:~:text=VW%20will%20form%20JVs%20with,supplies%20for%20EVs%20in%20China.&text=SHANGHAI%20%2D%2D%20Volkswagen%20Group%20will,of%20surging%20raw%20material%20prices.>
- (xiv) <https://www.cnn.com/2022/06/27/tencent-wants-to-be-foreign-automakers-go-to-company-for-evs-in-china.html>
- (xv) <https://www.cnn.com/2022/05/21/why-the-first-autonomous-vehicles-winners-wont-be-in-your-driveway.html>
- (xvi) <https://www.cnn.com/2022/05/21/why-the-first-autonomous-vehicles-winners-wont-be-in-your-driveway.html>
- (xvii) <https://www.theverge.com/2022/6/7/23156674/waymo-via-uber-freight-autonomous-truck-deal>
- (xviii) <https://www.cnn.com/2022/04/20/tesla-tsla-earnings-q1-2022.html>
- (xix) [https://www.bnnbloomberg.ca/uk-ends-subsidies-for-electric-cars-on-surging-demand-1.1778488#:~:text=\(Bloomberg\)%20%2D%2D%20The%20UK%20said,as%20vans%2C%20taxi%20and%20motorcycles](https://www.bnnbloomberg.ca/uk-ends-subsidies-for-electric-cars-on-surging-demand-1.1778488#:~:text=(Bloomberg)%20%2D%2D%20The%20UK%20said,as%20vans%2C%20taxi%20and%20motorcycles)

## Recent Developments

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In the six-month period ended June 30, 2022, 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 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, 2022, the Fund incurred \$193,429 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.evolveefts.com](http://www.evolveefts.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, 2022, the Fund incurred \$70,585 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 Unit<sup>1</sup>

	June 30, 2022 (\$)	December 31, 2021 (\$)	December 31, 2020 (\$)	December 31, 2019 (\$)	December 31, 2018 (\$)	December 31, 2017 (\$)
For the periods ended:						
<b>Unhedged ETF Units - Net Assets per Unit</b>						
Net Assets per Unit, beginning of period	53.70	51.78	25.93	18.11	21.21	20.26
<b>Increase (decrease) from operations:</b>						
Total revenue	0.31	0.39	0.23	0.39	0.50	0.14
Total expenses	(0.21)	(0.52)	(0.34)	(0.25)	(0.24)	(0.07)
Realized gains (losses)	(5.98)	4.78	10.29	0.27	(0.04)	0.12
Unrealized gains (losses)	(14.90)	(6.31)	13.16	7.83	(2.70)	0.68
<b>Total increase (decrease) from operations<sup>2</sup></b>	<b>(20.78)</b>	<b>(1.66)</b>	<b>23.34</b>	<b>8.24</b>	<b>(2.48)</b>	<b>0.87</b>
<b>Distributions:</b>						
From income (excluding dividends)	(0.12)	-	-	-	-	-
From dividends	-	(0.05)	(0.01)	(0.13)	(0.30)	(0.09)
From capital gains	-	(0.15)	(0.05)	-	-	-
Return of capital	-	(0.02)	(0.07)	-	-	-
<b>Total annual distributions<sup>3</sup></b>	<b>(0.12)</b>	<b>(0.22)</b>	<b>(0.13)</b>	<b>(0.13)</b>	<b>(0.30)</b>	<b>(0.09)</b>
<b>Net Assets per Unit, end of period</b>	<b>32.79</b>	<b>53.70</b>	<b>51.78</b>	<b>25.93</b>	<b>18.11</b>	<b>21.21</b>

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

For the periods ended:	June 30, 2022 (\$)	December 31, 2021 (\$)	December 31, 2020 (\$)	December 31, 2019 (\$)	December 31, 2018 (\$)	December 31, 2017 (\$)
<b>Hedged ETF Units - Net Assets per Unit</b>						
Net Assets per Unit, beginning of period	50.43	47.99	24.95	16.53	20.90	20.31
<b>Increase (decrease) from operations:</b>						
Total revenue	0.29	0.39	0.21	0.35	0.48	0.17
Total expenses	(0.19)	(0.49)	(0.33)	(0.24)	(0.22)	(0.07)
Realized gains (losses)	(4.32)	2.01	7.57	(0.04)	(1.01)	(0.49)
Unrealized gains (losses)	(15.81)	(4.18)	20.27	8.33	(4.32)	0.88
<b>Total increase (decrease) from operations<sup>2</sup></b>	<b>(20.03)</b>	<b>(2.27)</b>	<b>27.72</b>	<b>8.40</b>	<b>(5.07)</b>	<b>0.49</b>
<b>Distributions:</b>						
From income (excluding dividends)	(0.12)	-	-	-	-	-
From dividends	-	(0.03)	(0.02)	(0.12)	(0.30)	(0.08)
From capital gains	-	(0.17)	(0.11)	-	-	-
Return of capital	-	(0.02)	-	(0.01)	-	(0.01)
<b>Total annual distributions<sup>3</sup></b>	<b>(0.12)</b>	<b>(0.22)</b>	<b>(0.13)</b>	<b>(0.13)</b>	<b>(0.30)</b>	<b>(0.09)</b>
<b>Net Assets per Unit, end of period</b>	<b>30.77</b>	<b>50.43</b>	<b>47.99</b>	<b>24.95</b>	<b>16.53</b>	<b>20.90</b>
<b>US Dollar Unhedged ETF Units - Net Assets per Unit<sup>4</sup></b>						
Net Assets per Unit, beginning of period	61.35	59.18	29.67	20.74	24.09	25.76
<b>Increase (decrease) from operations:</b>						
Total revenue	0.35	0.46	0.27	0.44	0.57	0.17
Total expenses	(0.23)	(0.59)	(0.39)	(0.29)	(0.27)	(0.06)
Realized gains (losses)	(6.83)	3.89	9.69	0.34	0.05	0.01
Unrealized gains (losses)	(17.03)	(2.64)	19.57	8.61	(2.96)	(1.70)
<b>Total increase (decrease) from operations<sup>2</sup></b>	<b>(23.74)</b>	<b>1.12</b>	<b>29.14</b>	<b>9.10</b>	<b>(2.61)</b>	<b>(1.58)</b>
<b>Distributions:</b>						
From income (excluding dividends)	(0.15)	-	-	-	-	-
From dividends	-	(0.04)	(0.01)	(0.17)	(0.14)	(0.10)
From capital gains	-	(0.21)	(0.17)	-	(0.01)	-
Return of capital	-	(0.03)	-	(0.01)	(0.02)	-
<b>Total annual distributions<sup>3</sup></b>	<b>(0.15)</b>	<b>(0.28)</b>	<b>(0.18)</b>	<b>(0.18)</b>	<b>(0.17)</b>	<b>(0.10)</b>
<b>Net Assets per Unit, end of period</b>	<b>37.45</b>	<b>61.35</b>	<b>59.18</b>	<b>29.67</b>	<b>20.74</b>	<b>24.09</b>
<b>Hedged Class A - Net Assets per Unit</b>						
Net Assets per Unit, beginning of period	49.67	47.78	23.53	20.09	N/A	N/A
<b>Increase (decrease) from operations:</b>						
Total revenue	0.26	0.36	0.18	0.34	N/A	N/A
Total expenses	(0.41)	(1.08)	(0.80)	(0.16)	N/A	N/A
Realized gains (losses)	(4.05)	6.97	6.91	0.75	N/A	N/A
Unrealized gains (losses)	(16.73)	(17.88)	35.72	2.60	N/A	N/A
<b>Total increase (decrease) from operations<sup>2</sup></b>	<b>(20.93)</b>	<b>(11.63)</b>	<b>42.01</b>	<b>3.53</b>	<b>N/A</b>	<b>N/A</b>
<b>Distributions:</b>						
From income (excluding dividends)	(0.12)	-	-	-	N/A	N/A
From dividends	-	-	(0.05)	-	N/A	N/A
From capital gains	-	(0.21)	(0.08)	-	N/A	N/A
Return of capital	-	(0.01)	-	-	N/A	N/A
<b>Total annual distributions<sup>3</sup></b>	<b>(0.12)</b>	<b>(0.22)</b>	<b>(0.13)</b>	<b>-</b>	<b>N/A</b>	<b>N/A</b>
<b>Net Assets per Unit, end of period</b>	<b>30.08</b>	<b>49.67</b>	<b>47.78</b>	<b>23.53</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:	June 30, 2022 (\$)	December 31, 2021 (\$)	December 31, 2020 (\$)	December 31, 2019 (\$)	December 31, 2018 (\$)	December 31, 2017 (\$)
<b>Hedged Class F - Net Assets per Unit</b>						
Net Assets per Unit, beginning of period	50.86	48.41	23.55	20.10	N/A	N/A
<b>Increase (decrease) from operations:</b>						
Total revenue	0.28	0.39	0.14	0.26	N/A	N/A
Total expenses	(0.20)	(0.50)	(0.38)	(0.04)	N/A	N/A
Realized gains (losses)	(4.42)	1.97	11.23	0.70	N/A	N/A
Unrealized gains (losses)	(15.76)	(4.78)	36.89	2.63	N/A	N/A
<b>Total increase (decrease) from operations<sup>2</sup></b>	<b>(20.10)</b>	<b>(2.92)</b>	<b>47.88</b>	<b>3.55</b>	<b>N/A</b>	<b>N/A</b>
<b>Distributions:</b>						
From income (excluding dividends)	(0.12)	-	-	-	N/A	N/A
From dividends	-	(0.02)	(0.02)	-	N/A	N/A
From capital gains	-	(0.18)	(0.06)	-	N/A	N/A
Return of capital	-	(0.02)	-	-	N/A	N/A
<b>Total annual distributions<sup>3</sup></b>	<b>(0.12)</b>	<b>(0.22)</b>	<b>(0.08)</b>	<b>-</b>	<b>N/A</b>	<b>N/A</b>
<b>Net Assets per Unit, end of period</b>	<b>31.06</b>	<b>50.86</b>	<b>48.41</b>	<b>23.55</b>	<b>N/A</b>	<b>N/A</b>

1 This information is derived from the Fund's unaudited interim financial statements as at June 30, 2022 and the audited annual financial statement as at December 31, 2021, 2020, 2019, 2018, and 2017. The Unhedged and Hedged ETF Units effectively began operations on September 27, 2017. The US Dollar Unhedged ETF Units effectively began operations on November 1, 2017. 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, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017
<b>Unhedged ETF Units - Ratios/Supplemental Data</b>						
Total Net Asset Value (\$) <sup>5</sup>	4,098,900	6,711,884	6,472,690	2,592,897	1,358,077	2,120,987
Number of units outstanding <sup>5</sup>	125,000	125,000	125,000	100,000	75,000	100,000
Management expense ratio <sup>6</sup>	0.63%	0.61%	0.63%	0.64%	0.64%	0.64%
Trading expense ratio <sup>7</sup>	0.28%	0.27%	0.35%	0.28%	0.29%	0.51%
Portfolio turnover rate <sup>8</sup>	52.34%	105.63%	92.77%	96.27%	76.01%	12.56%
Net Asset Value per unit (\$)	32.79	53.70	51.78	25.93	18.11	21.21
Closing market price (\$)	32.78	53.73	51.84	25.94	18.14	21.28
<b>Hedged ETF Units - Ratios/Supplemental Data</b>						
Total Net Asset Value (\$) <sup>5</sup>	55,390,609	100,851,834	38,392,450	7,484,439	6,198,706	2,612,453
Number of units outstanding <sup>5</sup>	1,800,000	2,000,000	800,000	300,000	375,000	125,000
Management expense ratio <sup>6</sup>	0.63%	0.62%	0.64%	0.64%	0.63%	0.64%
Trading expense ratio <sup>7</sup>	0.28%	0.27%	0.35%	0.28%	0.29%	0.51%
Portfolio turnover rate <sup>8</sup>	52.34%	105.63%	92.77%	96.27%	76.01%	12.56%
Net Asset Value per unit (\$)	30.77	50.43	47.99	24.95	16.53	20.90
Closing market price (\$)	30.72	50.70	48.22	24.99	16.55	21.02

# Evolve Automobile Innovation Index Fund

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

For the periods ended:	June 30, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017
<b>US Dollar Unhedged ETF Units - Ratios/Supplemental Data</b>						
Total Net Asset Value (\$) <sup>5</sup>	2,808,779	4,600,917	2,959,196	741,658	518,477	1,204,508
Number of units outstanding <sup>5</sup>	75,000	75,000	50,000	25,000	25,000	50,000
Management expense ratio <sup>6</sup>	0.63%	0.62%	0.63%	0.64%	0.64%	0.66%
Trading expense ratio <sup>7</sup>	0.28%	0.27%	0.35%	0.28%	0.29%	0.51%
Portfolio turnover rate <sup>8</sup>	52.34%	105.63%	92.77%	96.27%	76.01%	12.56%
Net Asset Value per unit (\$)	37.45	61.35	59.18	29.67	20.74	24.09
Closing market price (\$)	37.46	61.67	59.33	29.68	20.72	24.09
<b>Hedged Class A - Ratios/Supplemental Data</b>						
Total Net Asset Value (\$) <sup>5</sup>	495,261	1,484,159	971,935	24	N/A	N/A
Number of units outstanding <sup>5</sup>	16,465	29,883	20,343	1	N/A	N/A
Management expense ratio <sup>6</sup>	1.77%	1.75%	1.71%	0.00%	N/A	N/A
Trading expense ratio <sup>7</sup>	0.28%	0.27%	0.35%	0.28%	N/A	N/A
Portfolio turnover rate <sup>8</sup>	52.34%	105.63%	92.77%	96.27%	N/A	N/A
Net Asset Value per unit (\$)	30.08	49.67	47.78	23.53	N/A	N/A
<b>Hedged Class F - Ratios/Supplemental Data</b>						
Total Net Asset Value (\$) <sup>5</sup>	497,468	920,017	221,394	24	N/A	N/A
Number of units outstanding <sup>5</sup>	16,019	18,089	4,573	1	N/A	N/A
Management expense ratio <sup>6</sup>	0.63%	0.63%	0.62%	0.00%	N/A	N/A
Trading expense ratio <sup>7</sup>	0.28%	0.27%	0.35%	0.28%	N/A	N/A
Portfolio turnover rate <sup>8</sup>	52.34%	105.63%	92.77%	96.27%	N/A	N/A
Net Asset Value per unit (\$)	31.06	50.86	48.41	23.55	N/A	N/A

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

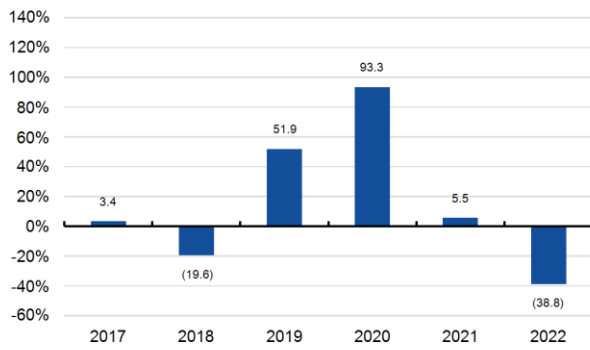
The bar chart below shows the Unhedged, Hedged, US Dollar Unhedged ETF Units', and the Hedged Class A and F Mutual Fund Units' performance for each of the financial years shown and for the six-month period ended June 30, 2022. The chart shows, in percentage terms, how much an investment made in the Fund on the first day of each financial year would have grown or decreased by the last day of each financial year.



# Evolve Automobile Innovation Index Fund

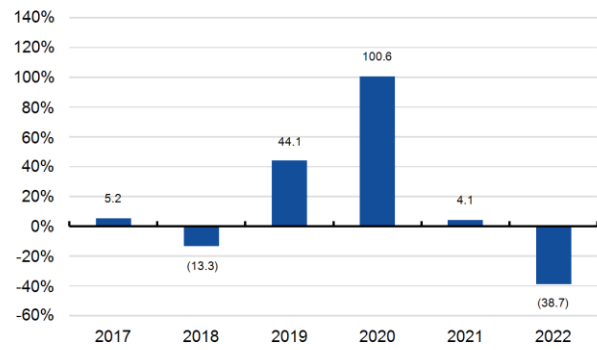
June 30, 2022

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



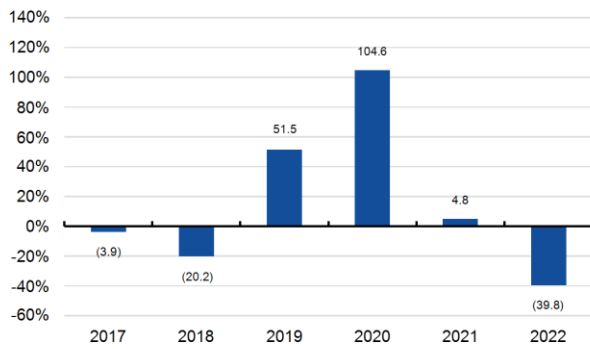
1 The Hedged ETF Units of the Fund effectively began operations on September 27, 2017.

## CARS/B Unhedged ETF Units<sup>2</sup>



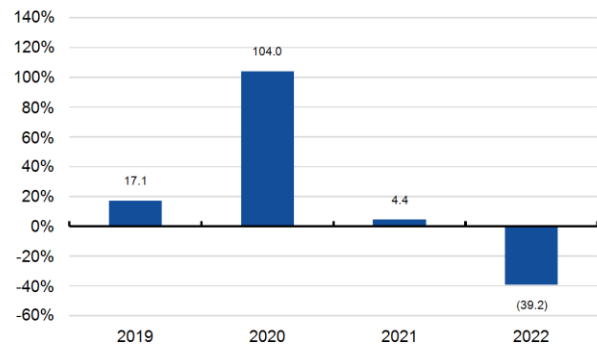
2 The Unhedged ETF Units of the Fund effectively began operations on September 27, 2017.

## CARS/U US Dollar Unhedged ETF Units<sup>3</sup>



3 The US Dollar Unhedged ETF Units of the Fund effectively began operations on November 1, 2017. Returns presented based on NAV equivalent in USD.

## Hedged Class A Mutual Fund Units<sup>4</sup>

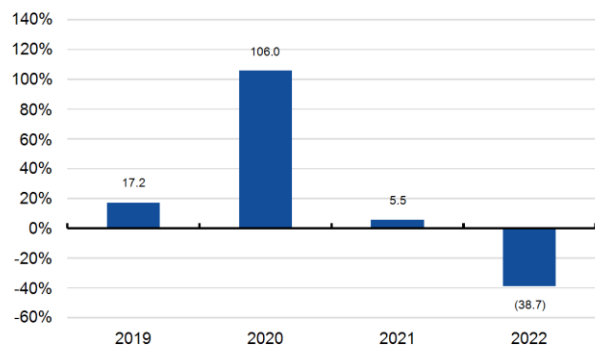


4 The Hedged Class A Mutual Fund Units of the Fund effectively began operations on April 23, 2019.

# Evolve Automobile Innovation Index Fund

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## Hedged Class F Mutual Fund Units<sup>5</sup>



<sup>5</sup> 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	
Li Auto Inc.	3.5
BYD Company Limited	3.2
XPeng Inc.	2.8
Hella GmbH & Company KGaA	2.6
NIO Inc., ADR	2.5
Visteon Corporation	2.5
Vitesco Technologies Group AG	2.4
Gentex Corporation	2.4
MicroVision Inc.	2.4
Cirrus Logic Inc.	2.2
Analog Devices Inc.	2.2
Gentherm Inc.	2.1
GS Yuasa Corporation	2.1
NXP Semiconductors NV	2.1
Texas Instruments Inc.	2.1
Melexis NV	2.1
SiTime Corporation	2.0
STMicroelectronics NV	2.0
Volkswagen AG	2.0
EnerSys	2.0
Fluence Energy Inc.	1.9
Infineon Technologies AG	1.9
Lucid Group Inc.	1.8
Advanced Micro Devices Inc.	1.8
Skyworks Solutions Inc.	1.8
<b>Total</b>	<b>56.4</b>

# Evolve Automobile Innovation Index Fund

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## Industry Allocation

Portfolio by Category	Percentage of Net Asset Value (%)
<b>Equities</b>	
Consumer Discretionary	41.1
Energy	9.1
Industrials	18.9
Information Technology	30.0
Derivative Assets	0.4
Derivative Liabilities	(0.0)
Cash and Cash Equivalents	0.6
Other Assets, less Liabilities	(0.1)
<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 Automobile Innovation Index Fund**