

Evolve 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 or SEDAR at www.sedar.com. You may also contact us using one of these methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

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Investment Objective and Strategies

The Evolve 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

There were no changes to the Fund over the period of this report that materially affected the level of risk associated with an investment in the Fund. Prospective investors should read the Fund's most recent prospectus and consider the description of risks contained therein.

Results of Operations

For the six-month period ended June 30, 2022, Hedged ETF Units returned -28.4% versus the Solactive Global Innovation PR Index CAD hedged return of -28.0%. The US Dollar Unhedged ETF Units returned -30.0% versus the Solactive Global Innovation Index return of -28.3%. The Hedged Class A Mutual Fund Units returned -28.8% and the Hedged Class F Mutual Fund Units returned -28.3% versus the Solactive Global Innovation PR Index CAD hedged return of -28.0%. 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. The difference in performance of the US dollar unhedged units relative to its benchmark can be attributed primarily to management and administration fees plus applicable sales taxes, to portfolio trading 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. The Fund's net assets were \$72.0MM as at June 30, 2022.

Portfolio Manager Commentary

Demand for electric vehicles (EV) outpaced supply in the first half of the year, largely due to supply chain disruptions and a shortage of semiconductor chips and raw materials such as lithium, cobalt and nickel. Lithium prices surged almost 500% in the last year, causing EV manufacturers to raise their prices.

Although, EV manufacturers such as Volkswagen, 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,⁽ⁱ⁾ while Volkswagen announced that it was moving ahead with a plan to add a \$2.2 billion EV factory in Germany to keep pace with Tesla. With EVs rapidly becoming mainstream, there was strong focus on the development of charging stations.

Meanwhile, cybercrime continued to flourish in spite of concerted efforts by cybersecurity professionals and governments to curb its spread. Although ransomware attacks have proven to be costly and disruptive, they are also becoming less profitable and riskier for hackers than some other forms of cybercrime such as business email compromise (BEC), which has emerged as one of the most popular cybercrime trends.

In May, the White House announced a slate of measures to support quantum technology in the United States while laying out steps to boost cybersecurity to defend against the next generation of supercomputers.⁽ⁱⁱ⁾

An increasing number of businesses are opting to use the cloud. According to Equinix, a digital infrastructure company, 93% of enterprises have shown interest or have already implemented hybrid cloud solutions, compared to 81% in 2017. In addition, the adoption of public cloud is also increasing. According to Equinix, in the next two years, there will be a 45% increase in the number of organizations running more than 30% of their production applications on the public cloud.⁽ⁱⁱⁱ⁾

In the gaming industry, multiplayer games drove mobile games growth. According to a research report by Technavio, a leading global technology research and advisory company, the mobile gaming market is expected to grow to \$66.43 billion by 2026 — for a compound annual growth rate of 12.26% between 2021 and 2026. The report also states that 47% of the mobile gaming market's growth will come from the Asia-Pacific region.^(iv)

In the 5G market, Acumen Research and Consulting, a global provider of market intelligence and consulting services said that the global 5G chipset market amounted to \$1.61 billion in 2021. However, by 2030, it is expected to increase to \$145.8 billion. 5G chipsets are key components that make 5G technology possible.^(v)

Another report by Stellar Market Research, a consulting firm, said the 5G services market could reach \$295.25 billion by 2027, representing a compound annual growth rate of 27.4% between 2021 and 2027. In 2020, the 5G services market size was \$54.2 billion.^(vi)

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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 range of enterprises, among them logistics, manufacturing, materials handling, inspection, healthcare, construction, and delivery.(vii) There was a 10% global increase in industrial robot usage to over 3 million units in operation in 2020.(viii)

In March, Nvidia invested \$10 million in Uber spinout Serve Robotics, which will be used to expand sidewalk delivery robot service outside Los Angeles and San Francisco. The investment is Nvidia's first in the sidewalk delivery space and is part of a long-term collaboration that will see the two companies work together toward advancing their application of robotic technology.(ix)

In an innovative move, Stanford engineers have developed miniature robots to precisely targeted drug delivery. The multifunctional wireless robots are expected to minimize the invasiveness of procedures and improve targeted drug delivery when treating more complicated medical conditions, like cardiovascular disease or cancer. The fingertip-sized robots are poised to become medicine's future lifesavers – to crawl, spin, and swim to enter narrow spaces on their mission to investigate inner workings or dispense medicines.(x)

Fintech is expected to experience strong growth. According to research by Vantage Market Research, the global fintech market was \$112.5 billion in 2021 and is expected to grow to \$332.5 billion by 2028. While North America held the biggest share of the global fintech market, the research states that the Asia Pacific market is expected to witness robust growth on the back of fintech blockchain technology in the commercial sector.(xi)

In April, Qualcomm, a holding in the Fund, announced second quarter revenue of \$11.16 billion, adjusted, versus \$10.6 billion expected, up 41% year-over-year. EPS was \$3.21, adjusted, versus \$2.91 expected, up 69% year-over-year. Revenue growth came from chip sales of \$9.55 billion versus \$8.86 billion expected, up 52% year-over-year.(xii)

Performance Attribution

For the six-month period ended June 30, 2022, Bristol Myers Squibb Co. made the largest contribution to the Fund's performance, followed by T-Mobile US Inc. These two stocks were also the largest holdings in the Fund by weight.

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

(ii) <https://www.reuters.com/world/us/white-house-boost-support-quantum-technology-while-boosting-cybersecurity-2022-05-04/>

(iii) <https://evolveetfs.com/wp-content/uploads/2022/06/EDGE-Commentary-May-31-2022.pdf>

(iv) <https://evolveetfs.com/wp-content/uploads/2022/06/EDGE-Commentary-May-31-2022.pdf>

(v) <https://evolveetfs.com/wp-content/uploads/2022/06/EDGE-Commentary-May-31-2022.pdf>

(vi) <https://evolveetfs.com/wp-content/uploads/2022/06/EDGE-Commentary-May-31-2022.pdf>

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

(viii) <https://roboticsandautomationnews.com/2022/04/11/7-robotics-trends-to-watch-for-in-2022/50233/>

(ix) <https://techcrunch.com/2022/03/08/nvidia-invests-10m-in-sidewalk-robot-delivery-company-serve-robotics/>

(x) <https://news.stanford.edu/2022/06/14/tiny-robots-precision-drug-delivery/>

(xi) <https://evolveetfs.com/wp-content/uploads/2022/06/EDGE-Commentary-May-31-2022.pdf>

(xii) https://www.cnn.com/2022/04/27/qualcomm-qcom-earnings-q2-2022.html?__source=androidappshare

Recent Developments

COVID-19 Pandemic

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.

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Ukraine-Russian Federation Conflict

In the six-month period ended June 30, 2022, the escalating conflict between Ukraine and the Russian Federation 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

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 six-month period ended June 30, 2022, the Fund incurred \$91,038 in management fees. These management fees were received by the Manager for the day-to-day operations of the fund, including managing the portfolio, maintaining portfolio systems used to manage the Fund, maintaining the www.evolveetfs.com website, and providing all other services including marketing and promotion.

Administration Fees

The administration fees are calculated based on 0.15% per annum of the average daily net asset value of the Fund. The fees are accrued daily and are generally paid monthly. For the six-month period ended June 30, 2022, the Fund incurred \$85,842 in administration fees. These administration fees were received by the Manager for the following operating expenses of the Fund including but not limited to: mailing and printing expenses for periodic reports to unitholders; Registrar and Transfer Agent and Custodian; any reasonable out of pocket expenses incurred by the Manager or its agents in connection with their ongoing obligations to the Fund; IRC committee member fees and expenses in connection with the IRC; expenses related to compliance with NI 81-107; fees and expenses relating to voting of proxies by a third party; insurance coverage for the members of the IRC; fees payable to the auditors and legal advisors of the Fund; regulatory filing, stock exchange and licensing fees and CDS fees; costs and expenses of complying with all applicable laws, regulations and policies, including expenses and costs incurred in connection with the continuous public filing requirements such as permitted prospectus preparation and filing expenses; and legal, accounting and audit fees and fees and expenses of the Trustee, Custodian and Manager which are incurred in respect of matters not in the normal course of the Fund's activities. The administration fee paid to the Manager by the Fund may, in any particular period, be less than or exceed the operating expenses that the Manager incurs for the Fund.

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Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help readers understand the Fund's financial performance for the period indicated.

The Fund's Net Assets Per Unit¹

	June 30, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018
For the periods ended:	(\$)	(\$)	(\$)	(\$)	(\$)
Hedged ETF Units - Net Assets per Unit					
Net Assets per Unit, beginning of period	40.04	35.71	22.99	17.35	19.91
Increase (decrease) from operations:					
Total revenue	0.15	0.24	0.21	0.15	0.11
Total expenses	(0.07)	(0.19)	(0.20)	(0.14)	(0.11)
Realized gains (losses)	(2.13)	2.94	4.30	0.64	(0.10)
Unrealized gains (losses)	(9.55)	0.32	9.85	4.99	(4.07)
Total increase (decrease) from operations³	(11.60)	3.31	14.16	5.64	(4.17)
Distributions:					
From dividends	(0.01)	(0.02)	(0.02)	(0.02)	-
Return of capital	-	-	-	-	(0.02)
Total annual distributions⁴	(0.01)	(0.02)	(0.02)	(0.02)	(0.02)
Net Assets per Unit, end of period	28.65	40.04	35.71	22.99	17.35

US Dollar Unhedged ETF Units - Net Assets per Unit⁵					
Net Assets per Unit, beginning of period ²	28.44	26.10	N/A	N/A	N/A
Increase (decrease) from operations:					
Total revenue	0.11	0.17	N/A	N/A	N/A
Total expenses	(0.05)	(0.13)	N/A	N/A	N/A
Realized gains (losses)	(2.08)	1.73	N/A	N/A	N/A
Unrealized gains (losses)	(6.84)	0.94	N/A	N/A	N/A
Total increase (decrease) from operations³	(8.86)	2.71	N/A	N/A	N/A
Distributions:					
From dividends	(0.01)	(0.02)	N/A	N/A	N/A
Return of capital	-	(0.01)	N/A	N/A	N/A
Total annual distributions⁴	(0.01)	(0.03)	N/A	N/A	N/A
Net Assets per Unit, end of period	20.25	28.44	N/A	N/A	N/A

Hedged Class A - Net Assets per Unit					
Net Assets per Unit, beginning of period	37.95	34.30	21.24	18.42	N/A
Increase (decrease) from operations:					
Total revenue	0.15	0.23	0.21	0.14	N/A
Total expenses	(0.25)	(0.60)	(0.49)	(0.02)	N/A
Realized gains (losses)	(2.10)	2.50	5.92	0.80	N/A
Unrealized gains (losses)	(8.74)	0.09	12.30	0.32	N/A
Total increase (decrease) from operations³	(10.94)	2.22	17.94	1.24	N/A
Distributions:					
From dividends	(0.01)	-	(0.02)	-	N/A
From capital gains	-	(0.01)	-	-	N/A
Return of capital	-	(0.01)	-	-	N/A
Total annual distributions⁴	(0.01)	(0.02)	(0.02)	-	N/A
Net Assets per Unit, end of period	27.02	37.95	34.30	21.24	N/A

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

For the periods ended:	June 30, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018
	(\$)	(\$)	(\$)	(\$)	(\$)
Hedged Class F - Net Assets per Unit					
Net Assets per Unit, beginning of period	38.17	34.07	21.00	18.35	N/A
Increase (decrease) from operations:					
Total revenue	0.14	0.23	0.19	0.06	N/A
Total expenses	(0.07)	(0.18)	(0.22)	(0.10)	N/A
Realized gains (losses)	(1.93)	2.45	8.05	0.03	N/A
Unrealized gains (losses)	(10.23)	0.19	14.30	0.25	N/A
Total increase (decrease) from operations³	(12.09)	2.69	22.32	0.24	N/A
Distributions:					
From dividends	(0.01)	(0.02)	(0.01)	-	N/A
From capital gains	-	-	(0.01)	-	N/A
Return of capital	-	-	-	(0.01)	N/A
Total annual distributions⁴	(0.01)	(0.02)	(0.02)	(0.01)	N/A
Net Assets per Unit, end of period	27.35	38.17	34.07	21.00	N/A

- 1 This information is derived from the Fund's unaudited interim financial statements as at June 30, 2022 and the 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.
- 2 This amount represents the initial launch price.
- 3 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.
- 4 Distributions were paid in cash or reinvested in additional units of the Fund, or both. Actual distributions may vary slightly owing to rounding.
- 5 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
Hedged ETF Units - Ratios/Supplemental Data					
Total Net Asset Value (\$) ⁶	62,305,298	110,102,937	40,178,061	11,493,197	11,280,089
Number of units outstanding ⁶	2,175,000	2,750,000	1,125,000	500,000	650,000
Management expense ratio ⁷	0.32%	0.33%	0.50%	0.48%	0.60%
Trading expense ratio ⁸	0.04%	0.09%	0.14%	0.12%	0.15%
Portfolio turnover rate ⁹	29.66%	86.47%	82.42%	92.88%	20.34%
Net Asset Value per unit (\$)	28.65	40.04	35.71	22.99	17.35
Closing market price (\$)	28.71	40.15	35.72	23.01	17.37
US Dollar Unhedged ETF Units - Ratios/Supplemental Data					
Total Net Asset Value (\$) ⁶	3,037,414	5,688,798	N/A	N/A	N/A
Number of units outstanding ⁶	150,000	200,000	N/A	N/A	N/A
Management expense ratio ⁷	0.32%	0.33%	N/A	N/A	N/A
Trading expense ratio ⁸	0.04%	0.09%	N/A	N/A	N/A
Portfolio turnover rate ⁹	29.66%	86.47%	N/A	N/A	N/A
Net Asset Value per unit (\$)	20.25	28.44	N/A	N/A	N/A
Closing market price (\$)	20.08	28.46	N/A	N/A	N/A

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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
Hedged Class A - Ratios/Supplemental Data					
Total Net Asset Value (\$) ⁶	2,261,594	3,296,352	909,640	21	N/A
Number of units outstanding ⁶	83,709	86,850	26,516	1	N/A
Management expense ratio ⁷	1.45%	1.45%	1.55%	-	N/A
Trading expense ratio ⁸	0.04%	0.09%	0.14%	0.12%	N/A
Portfolio turnover rate ⁹	29.66%	86.47%	82.42%	92.88%	N/A
Net Asset Value per unit (\$)	27.02	37.95	34.30	21.24	N/A
Hedged Class F - Ratios/Supplemental Data					
Total Net Asset Value (\$) ⁶	4,368,935	9,194,912	2,026,134	5,030	N/A
Number of units outstanding ⁶	159,753	240,925	59,476	239	N/A
Management expense ratio ⁷	0.32%	0.33%	0.55%	0.54%	N/A
Trading expense ratio ⁸	0.04%	0.09%	0.14%	0.12%	N/A
Portfolio turnover rate ⁹	29.66%	86.47%	82.42%	92.88%	N/A
Net Asset Value per unit (\$)	27.35	38.17	34.07	21.00	N/A

6 This information is provided as at June 30, 2022 and 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.

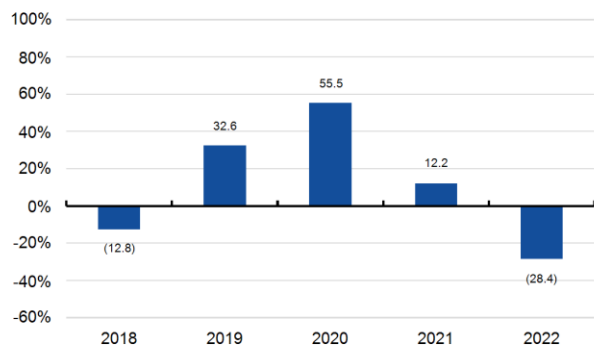
Year-by-Year Returns

The bar chart below shows the Hedged and 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.

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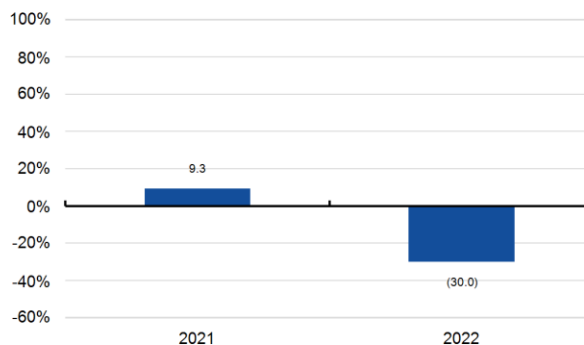
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EDGE Hedged ETF Units¹



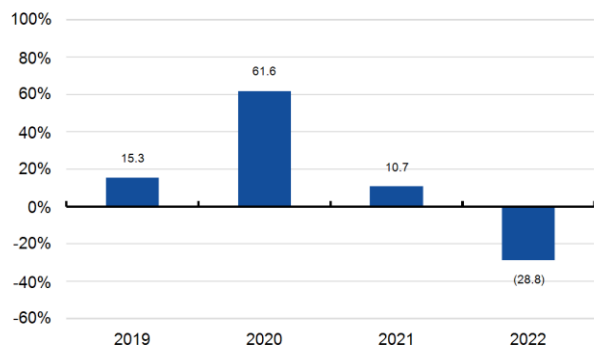
1 The Hedged ETF Units of the Fund effectively began operations on April 30, 2018.

EDGE/U US Dollar Unhedged ETF Units²



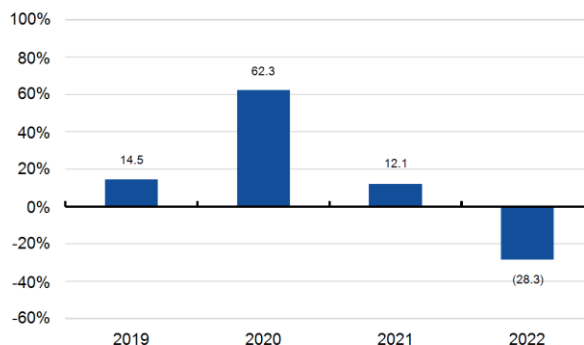
2 The US Dollar Unhedged ETF Units of the Fund effectively began operations on January 7, 2021. Returns presented based on NAV equivalent in USD.

Hedged Class A Mutual Fund Units³



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

Hedged Class F Mutual Fund Units⁴



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

Summary of Investment Portfolio

Top 25 Positions

	Percentage of Net Asset Value (%)
Security	
Evolve E-Gaming Index ETF	13.3
Evolve Cloud Computing Index Fund	12.3
Evolve Cyber Security Index ETF	12.0
Evolve Automobile Innovation Index ETF	12.0
Qualcomm Inc.	2.9
Marvell Technology Inc.	2.1
Seagen Inc.	1.8
Deutsche Telekom AG	1.7
T-Mobile US Inc.	1.6

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Top 25 Positions (cont'd)

	Percentage of Net Asset Value (%)
Security	
Bristol-Myers Squibb Company	1.5
Verizon Communications Inc.	1.5
KDDI Corporation	1.5
Vodafone Group PLC, ADR	1.4
Corteva Inc.	1.4
Fidelity National Information Services Inc.	1.4
Visa Inc., Class 'A'	1.4
Mastercard Inc., Class 'A'	1.4
Agilent Technologies Inc.	1.4
Fiserv Inc.	1.4
Microchip Technology Inc.	1.4
Hologic Inc.	1.3
Mettler-Toledo International Inc.	1.3
BeiGene Limited, ADR	1.3
Genmab AS	1.3
SoftBank Group Corporation	1.3
Total	81.9

Industry Allocation

Portfolio by Category	Percentage of Net Asset Value (%)
Equities	
Communication Services	8.9
Consumer Discretionary	2.5
ETFs - International Equity	49.6
Financials	0.4
Health Care	13.2
Information Technology	23.0
Materials	1.4
Derivative Assets	0.2
Derivative Liabilities	(0.0)
Cash and Cash Equivalents	0.8
Other Assets, less Liabilities	0.0
Total	100.0

The summary of Investment Portfolio may change due to the ongoing portfolio transactions of the Fund. Updates are available quarterly by visiting our website at www.evolveetfs.com.



Evolve Innovation Index Fund