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PROSPECTUS

Initial Public Offering and Continuous Offering

September 13, 2022

Evolve Slate Global Real Estate Enhanced Yield Fund (the “Evolve Fund”)

This prospectus qualifies the distribution of Canadian dollar denominated unhedged ETF units (“**Unhedged Units**”) and Canadian dollar denominated hedged ETF units (“**Hedged Units**”) together with the Unhedged Units, the “**Units**”) of the Evolve Fund, which is a mutual fund established under the laws of the province of Ontario. The Units will be issued at a price equal to the net asset value per Unit. There is no minimum number of Units that may be offered.

Unhedged Units and Hedged Units are referred to in this prospectus as “**Units**”. Units are denominated in Canadian dollars.

Investment Objectives

The investment objective of the Evolve Fund is to provide a recurring income level consistent with the underlying rental income derived from properties owned by the publicly listed real estate issuers held by the Evolve Fund. The Evolve Fund targets a yield return in excess of the yield return of the FTSE EPRA/NAREIT Developed Index. The Evolve Fund aims to achieve a level of volatility which is lower than the volatility of the FTSE EPRA/NAREIT Developed Index measured by using the standard deviation of returns. The expected return will be derived from the yield return but also from capital appreciation and potentially other yield enhancing strategies.

See “Investment Objectives” for further information.

Evolve Funds Group Inc. (the “**Manager**”), a registered investment fund manager and portfolio manager, will act as promoter, manager, trustee and portfolio manager of the Evolve Fund and is responsible for the administration of the Evolve Fund. The Manager has retained Slate Securities L.P. as the sub-advisor for the Evolve Fund. See “Organization and Management Details of the Evolve Fund – Manager” and “Organization and Management Details of the Evolve Fund – Sub-Advisor for the Evolve Fund”.

Listing of Units

The Evolve Fund issues Units on a continuous basis and there is no maximum number of Units that may be issued. The Units of the Evolve Fund have been conditionally approved for listing on the Toronto Stock Exchange (the “**Designated Exchange**”). Listing is subject to the approval of the Designated Exchange in accordance with its original listing requirements. Subject to satisfying the Designated Exchange’s original listing requirements on or before September 12, 2023, the Units will be listed on the Designated Exchange and investors will be able to buy or sell such Units on the Designated Exchange through registered brokers and dealers in the province or territory where the investor resides.

Investors may incur customary brokerage commissions in buying or selling Units. No fees are paid by investors to the Manager or the Evolve Fund in connection with buying or selling of Units on the Designated Exchange. Unitholders may also redeem Units for cash at a redemption price per Unit equal to 95% of the closing price of the Units on the Designated Exchange on the effective day of redemption, subject to a maximum redemption price per Unit equal to the net asset value per Unit on the effective day of redemption, or exchange a Prescribed Number of Units (as defined herein) (or an integral multiple thereof) for Baskets of Securities (as defined herein) and cash or, in certain circumstances, for cash. See “Exchange and Redemption of Units – Redemption of Units of the Evolve Fund for Cash”

and “Exchange and Redemption of Units – Exchange of Units of the Evolve Fund at Net Asset Value per Unit for Baskets of Securities and/or Cash” for further information.

The Evolve Fund will issue Units directly to the Designated Broker (as defined herein) and Dealers (as defined herein).

No designated broker or dealer has been involved in the preparation of this prospectus or has performed any review of the contents of this prospectus and as such, the Designated Broker and Dealers do not perform many of the usual underwriting activities in connection with the distribution by the Evolve Fund of its Units under this prospectus.

Registration of interests in, and transfer of, the Units will be made only through CDS Clearing and Depository Services Inc (“CDS”). Beneficial owners will not have the right to receive physical certificates evidencing their ownership.

For a discussion of the risks associated with an investment in Units of the Evolve Fund, see “Risk Factors”.

Eligibility for Investment

Provided that the Evolve Fund qualifies as a “mutual fund trust” within the meaning of the Tax Act (as defined herein), or that the Units are listed on a “designated stock exchange” within the meaning of the Tax Act (which currently includes the Designated Exchange), the Units, if issued on the date hereof, would be on such date qualified investments under the Tax Act for a trust governed by a registered retirement savings plan, a registered retirement income fund, a registered disability savings plan, a deferred profit sharing plan, a registered education savings plan or a tax-free savings account.

If the FHSA Amendments (as defined herein) are enacted as proposed, the Units of the Evolve Fund will be qualified investments under the Tax Act for a trust governed by a first home savings account (within the meaning of the FHSA Amendments) provided the conditions discussed above in relation to Plans are satisfied.

Documents Incorporated by Reference

Additional information about the Evolve Fund is or will be available in the most recently filed annual financial statements, any interim financial statements filed after those annual financial statements, the most recently filed annual management report of fund performance (“MRFP”), any interim MRFP filed after the annual MRFP for the Evolve Fund and the most recently filed ETF Facts or Fund Facts (as applicable, as defined herein) for the Evolve Fund. These documents are incorporated by reference into, and legally form an integral part of, this prospectus. See “Documents Incorporated by Reference” for further details.

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GLOSSARY

Unless otherwise indicated, the references to dollar amounts in this prospectus are to Canadian dollars and all references to times in this prospectus are to Toronto time.

allowable capital loss – has the meaning ascribed thereto under “Income Tax Considerations – Taxation of Holders”.

Basket of Securities – means, in relation to the Evolve Fund, a group of securities and/or assets determined by the Manager or the Sub-Advisor from time to time representing the constituents of the portfolio of the Evolve Fund.

Canadian Securities Legislation – means the securities legislation in force in each province and territory of Canada, all regulations, rules, orders and policies made thereunder and all multilateral and national instruments adopted by the Securities Regulatory Authorities, as the same may be amended, restated or replaced from time to time.

Capital Gains Refund – has the meaning ascribed thereto under “Income Tax Considerations – Taxation of the Evolve Fund”.

CDS – means CDS Clearing and Depository Services Inc.

CDS Participant – means a registered dealer or other financial institution that is a participant in CDS and that holds Units on behalf of beneficial owners of Units.

Counterparty – has the meaning ascribed thereto under “Risk Factors – Securities Lending Risks”.

CRA – means the Canada Revenue Agency.

Custodian – means CIBC Mellon Trust Company or its successor, in its capacity as custodian of the Evolve Fund pursuant to the Custodian Agreement.

Custodian Agreement – means the master custodian agreement dated July 24, 2017, as amended on August 23, 2022, between the Manager, in its capacity as manager of the Evolve Fund, and the Custodian, as may be further supplemented, amended, and/or amended and restated from time to time.

Dealer – means a registered dealer (that may or may not be the Designated Broker) that has entered into a continuous distribution dealer agreement with the Manager, on behalf of the Evolve Fund, and that subscribes for and purchases Units from the Evolve Fund.

Declaration of Trust – means the amended and restated master declaration of trust dated September 13, 2022, establishing the Evolve Fund, as the same may be amended, restated or replaced from time to time.

Derivatives – means instruments that derive their value from the market price, value or level of an underlying security, commodity, economic indicator, index or financial instrument and which may include, options, futures contracts, forward contracts, swaps or debt-like securities.

Designated Broker – means a registered dealer that has entered into a designated broker agreement with the Manager, on behalf of the Evolve Fund, pursuant to which the Designated Broker agrees to perform certain duties in respect of the Units in relation to the Evolve Fund.

Designated Exchange – means the TSX.

DFA Rules – has the meaning ascribed thereto under “Risk Factors – Taxation of the Evolve Fund”.

Distribution Record Date – means a date determined by the Manager as a record date for the determination of the Unitholders of the Evolve Fund entitled to receive a distribution.

DPSP – means a deferred profit sharing plan within the meaning of the Tax Act.

EFG – means Evolve Funds Group Inc., the promoter, manager, trustee and portfolio manager of the Evolve Fund.

ETF Facts – means an ETF Facts document in respect of Units prescribed by Canadian Securities Legislation in respect of an exchange traded fund, which summarizes certain features of the exchange traded fund and which is publicly available at www.sedar.com and provided or made available to registered dealers for delivery to purchasers of securities of an exchange traded fund.

Evolve Fund – means the Evolve Slate Global Real Estate Enhanced Yield Fund, an investment trust established under the laws of Ontario pursuant to the Declaration of Trust.

FHSA – means a first home savings account within the meaning of the FHSA Amendments.

FHSA Amendments – has the meaning ascribed thereto under “Income Tax Considerations – Taxation of Registered Plans”.

Fund Administrator – means CIBC Mellon Global Securities Services Company or its successor, in its capacity as fund administrator of the Evolve Fund pursuant to the Custodian Agreement.

GST/HST – means taxes exigible under Part IX of the *Excise Tax Act* (Canada) and the regulations made thereunder.

Hedged Units – has the meaning ascribed thereto on the cover page.

Hedged Unit – means Hedged Units of the Evolve Fund, which represents an equal, undivided interest in the net assets of that class or series of the Evolve Fund.

Holder – has the meaning ascribed thereto under “Income Tax Considerations”.

International Information Exchange Legislation – has the meaning ascribed thereto under “Unitholder Matters – International Information Reporting”.

IRC or Independent Review Committee – means the independent review committee of the Evolve Fund established under NI 81-107.

Lending Agent – means The Bank of New York Mellon, in its capacity as lending agent pursuant to the Securities Lending Agreement.

Management Fee – has the meaning ascribed thereto under “Fees and Expenses – Fees and Expenses Payable by the Evolve Fund – Management Fees”.

Management Fee Distributions – has the meaning ascribed thereto under “Fees and Expenses – Fees and Expenses Payable by the Evolve Fund – Management Fees”.

Manager – has the meaning ascribed thereto on the cover page.

Minimum Distribution Requirements – has the meaning ascribed thereto under “Income Tax Considerations – Status of the Evolve Fund”.

MRFP – has the meaning ascribed thereto on the cover page.

NAV and NAV per Unit – means the net asset value of the Evolve Fund and the net asset value per Unit, calculated by the Fund Administrator as described under “Calculation of NAV”.

NI 81-102 – means National Instrument 81-102 – *Investment Funds*, as the same may be amended, restated or replaced from time to time.

NI 81-106 – means National Instrument 81-106 – *Investment Fund Continuous Disclosure*, as the same may be amended, restated or replaced from time to time.

NI 81-107 – means National Instrument 81-107 – *Independent Review Committee for Investment Funds*, as the same may be amended, restated or replaced from time to time.

Non-Portfolio Income – has the meaning ascribed thereto under “Income Tax Considerations – Taxation of the Evolve Fund”.

Permitted Mergers – has the meaning ascribed thereto under “Unitholder Matters – Permitted Mergers”.

Plans – has the meaning ascribed thereto under “Income Tax Considerations – Status of the Evolve Fund”.

PNU or Prescribed Number of Units – means the number of Units of the Evolve Fund determined by the Manager from time to time for the purpose of subscription orders, exchanges, redemptions or for other purposes.

Policy – has the meaning ascribed thereto under “Fund Governance – Policies, procedures, practices and guidelines”.

RDSP – means a registered disability savings plan within the meaning of the Tax Act.

Registrar and Transfer Agent – means TSX Trust Company or its successor, in its capacity as transfer agent of the Evolve Fund.

REIT – means a real estate investment trust.

REOC – means a real estate operating company.

RESP – means a registered education savings plan within the meaning of the Tax Act.

RRIF – means a registered retirement income fund within the meaning of the Tax Act.

RRSP – means a registered retirement savings plan within the meaning of the Tax Act.

Securities Lending Agreement – has the meaning ascribed thereto under “Organization and Management Details of the Evolve Fund – Lending Agent”.

Securities Regulatory Authorities – means the securities commission or similar regulatory authority in each province and territory of Canada that is responsible for administering the Canadian Securities Legislation in force in such province or territory.

SIFT Rules – has the meaning ascribed thereto under “Risk Factors – Taxation of the Evolve Fund”.

Slate Sub-Advisory Agreement – has the meaning ascribed to such term under the heading “Organization and Management Details of the Evolve Fund – Sub-Advisor for the Evolve Fund”.

Sub-Advisor – means Slate Securities L.P. in its capacity as sub-advisor of the Evolve Fund pursuant to the Slate Sub-Advisory Agreement, and its successor, as applicable.

Substituted Property – has the meaning ascribed thereto under “Income Tax Considerations – Taxation of the Evolve Fund”.

taxable capital gain – has the meaning ascribed thereto under “Income Tax Considerations – Taxation of Holders”.

Tax Act – means the *Income Tax Act* (Canada) and the regulations thereunder, as amended from time to time.

Tax Amendment – means a proposed amendment to the Tax Act publicly announced by the Minister of Finance (Canada) prior to the date hereof.

Tax Treaties – has the meaning ascribed thereto under “Risk Factors – Taxation of the Evolve Fund”.

TFSA – means a tax-free savings account within the meaning of the Tax Act.

Trading Day – means, for the Evolve Fund, unless otherwise agreed by the Manager, a day on which: (i) a regular session of the Designated Exchange is held and (ii) the primary market or exchange for the majority of securities held by the Evolve Fund is open for trading.

Trustee – means EFG, in its capacity as trustee of the Evolve Fund pursuant to the Declaration of Trust, or its successor.

TSX – means the Toronto Stock Exchange.

Unhedged Units – has the meaning ascribed thereto on the cover page.

Unhedged Unit – means Unhedged Units of the Evolve Fund, which represent an equal, undivided interest in the net assets of that class or series of the Evolve Fund.

Unit – means a unit of a class or series of the Evolve Fund which represents an equal, undivided interest in the net assets of that class or series of the Evolve Fund.

Unitholder – means a holder of Units of the Evolve Fund.

Valuation Date – means each Trading Day or any other day designated by the Manager on which the NAV and NAV per Unit of the Evolve Fund is calculated.

Valuation Time – means, in relation to the Evolve Fund, 4:00 p.m. (Toronto time) on a Valuation Date or such other time that the Manager deems appropriate on each Valuation Date.

PROSPECTUS SUMMARY

The following is a summary of the principal features of this distribution and should be read together with the more detailed information, financial data and financial statements contained elsewhere in this prospectus or incorporated by reference in this prospectus.

Issuers: Evolve Slate Global Real Estate Enhanced Yield Fund (the “**Evolve Fund**”)

This prospectus qualifies the distribution of Canadian dollar denominated unhedged ETF units (“**Unhedged Units**”) and Canadian dollar denominated hedged ETF units (“**Hedged Units**”), together with the Unhedged Units, the “**Units**”) of the Evolve Fund. The Units will be issued at a price equal to the net asset value per Unit. There is no minimum number of Units that may be offered.

The Evolve Fund is a mutual fund established under the laws of the Province of Ontario. Evolve Funds Group Inc. (“**EFG**”) is the promoter, manager, trustee and portfolio manager of the Evolve Fund and is responsible for the administration of the Evolve Fund.

In its capacity as Manager and portfolio manager of the Evolve Fund, EFG has retained Slate Securities L.P. as sub-advisor to the Evolve Fund.

**Continuous
Distribution:**

Units

The Evolve Fund issues Units on a continuous basis and there is no maximum number of Units that may be issued. The Units of the Evolve Fund have been conditionally approved for listing on the Designated Exchange. Listing is subject to the approval of the Designated Exchange in accordance with its original listing requirements. Subject to satisfying the Designated Exchange’s original listing requirements, the Units will be listed on the Designated Exchange and investors will be able to buy or sell such Units on the Designated Exchange through registered brokers and dealers in the province or territory where the investor resides.

Investors may incur customary brokerage commissions in buying or selling Units. No fees are paid by investors to the Manager or the Evolve Fund in connection with the buying or selling of Units on the Designated Exchange. Investors may trade Units in the same way as other securities listed on the Designated Exchange, including by using market orders and limit orders.

See “Purchases of Units – Continuous Distribution”.

**Investment
Objectives:**

The investment objective of the Evolve Fund is to provide a recurring income level consistent with the underlying rental income derived from properties owned by the publicly listed real estate issuers held by the Evolve Fund. The Evolve Fund targets a yield return in excess of the yield return of the FTSE EPRA/NAREIT Developed Index. The Evolve Fund aims to achieve a level of volatility which is lower than the volatility of the FTSE EPRA/NAREIT Developed Index measured by using the standard deviation of returns. The expected return will be derived from the yield return but also from capital appreciation and potentially other yield enhancing strategies.

See “Investment Objectives”.

**Specific
Investment
Strategies:**

The Sub-Advisor has identified a universe of about 2,000 issuers on a global basis that fall within its definition of real estate securities. The universe is reassessed and may vary over time as issuers and business models evolve. The Sub-Advisor has filtered the broad universe according to four main criteria: (a) business model: more than 75% of the revenues or value of an issuer must be derived from investment properties with limited development risk; (b) dividends: the dividend yield of the issuer must be above 3% on a historical basis and show the ability to sustain this yield into the future; (c) leverage: the issuer must have an amount of debt that is lower than 60% of the value of its assets; (d) market capitalization: the market

capitalization of the issuer must be above US\$250,000,000 (or the equivalent in local currency) for liquidity purposes. The Evolve Fund's investment policy, which targets high yield issuers, will limit the number of publicly listed real estate developers in which the Evolve Fund will invest.

The eligible markets for the Evolve Fund are those of countries included in the MSCI World Index and the MSCI Emerging Markets Index. The list of the countries included in the MSCI World Index and in the MSCI Emerging Markets Index is available at the website www.msci.com. Reference to this website is made as an inactive textual reference for information purposes only and solely in respect of the information regarding the list of countries included in the MSCI World Index and in the MSCI Emerging Markets Index. Information found at this website is not incorporated by reference into this prospectus. The Manager and the Evolve Fund make no representation as to the accuracy of any such information. The primary stock exchange where a security is traded determines the market for such a security.

The Evolve Fund will invest in the following types of securities:

- a) common and preferred shares of real estate sector companies (i.e., REITs or REOCs), which derive at least 50% of their value from real estate operations, including, but not limited to, hotels, offices, residential, retail, industrial, gaming establishments, healthcare facilities and seniors and student residences;
- b) bonds, convertible bonds and debentures issued by the companies listed above, that are in the portfolio as a result of corporate actions;
- c) warrants rights and instalment receipts issued by the companies listed above;
- d) exchange traded funds (ETFs) of real estate securities; and
- e) in terms of derivative instruments, the Evolve Fund may write covered options and purchase uncovered options provided that: (a) all options written and purchased by the Evolve Fund must be traded on a recognized options exchange; (b) the option is in respect of a listed security owned by the Evolve Fund when the option is written or in respect to listed real estate securities or listed real estate exchange traded funds (ETFs) when the option is purchased; and (c) the options written or purchased must be sold through a broker and must conform with standardized rules issued by applicable exchanges.

Emerging Markets

The Evolve Fund will not invest more than 10% of the NAV of the Evolve Fund in securities of issuers listed on stock exchanges of emerging markets. Emerging markets are those included in the MSCI Emerging Markets Index from time to time. The primary stock exchange on which a security of an issuer is traded determines the market for that security.

Maximum Weighting in any Issuer

The Evolve Fund will not invest more than 10% of the NAV of the Evolve Fund in securities of any issuer.

Maximum Interest in any Class of Securities

The Evolve Fund will not purchase more than 5% of the outstanding securities of any class of an issuer.

Maximum Weighting by Country

The Evolve Fund may purchase securities of issuers listed on stock exchanges in any country up to a maximum of the higher of:

- Twice the weight of the country in the FTSE EPRA/NAREIT Developed Index; or
- 20% of the NAV of the Evolve Fund.

Covered Call Options

The Sub-Advisor believes that option writing may have the potential to add value and is an effective way to help lower the level of volatility for an investor and potentially improve returns. All other things being equal, higher volatility in the price of a security results in higher option premiums in respect of such security. The Sub-Advisor believes equity securities of the Evolve Fund are suited for a covered call writing strategy. Covered call options will be written by the Sub-Advisor at its discretion on not more than 33% of the equity securities of the Evolve Fund's portfolio at any given time. Such options will generally be at a strike price that is out-of-the-money. The proportion of the equity securities of each issuer in respect of which the Sub-Advisor may write options may differ. The extent to which any of the individual equity securities in the Evolve Fund's portfolio are subject to option writing and the terms of such options will vary from time to time based on the Sub-Advisor's assessment of the market.

The holder of a call option purchased from the Evolve Fund will have the option, exercisable during a specific time period or at expiry, to purchase the securities underlying the option from the Evolve Fund at the strike price per security. By selling call options, the Evolve Fund will receive option premiums, which are generally paid within one business day of writing the option. If at any time during the term of a call option or at expiry, as applicable, the market price of the underlying securities is above the strike price, the holder of the option may exercise the option and the Evolve Fund will be obligated to sell the securities to the holder at the strike price per security. Alternatively, the Evolve Fund may repurchase a call option it has written that is "in-the-money" by paying the market value of the call option. If, however, the option is "out-of-the-money" at expiration of the call option, the holder of the option will likely not exercise the option, the option will expire and the Evolve Fund will retain the underlying security. In each case, the Evolve Fund will retain the option premium.

The amount of option premium depends upon, among other factors, the volatility of the price of the underlying security: generally, the higher the volatility, the higher the option premium. In addition, the amount of the option premium will depend upon the difference between the strike price of the option and the market price of the underlying security at the time the option is written. The smaller the positive difference (or the larger the negative difference), the more likely it is that the option will become "in-the-money" during the term of the option and, accordingly, the greater the option premium.

When a call option is written on a security in the Evolve Fund's portfolio, the amounts that the Evolve Fund will be able to realize on the security if it is called will be limited to the dividends received prior to the exercise of the call option during such period plus an amount equal to the sum of the strike price and the premium received from writing the option. In essence, the Evolve Fund will forego potential returns resulting from any price appreciation of the security underlying the option above the strike price in favour of the certainty of receiving the option premium. See "Risk Factors – Use of Options Risk".

Many investors and financial market professionals price call options based on the Black Scholes Model. In practice, however, actual option premiums are determined in the marketplace and there can be no assurance that the values generated by the Black Scholes Model can be attained in the market.

**General
Investment
Strategies:**

Investment in other Investment Funds

In the event the Evolve Fund invests in one or more other investment funds listed on a stock exchange in Canada or the United States, there shall be no management fees or incentive fees that are payable by the Evolve Fund that, to a reasonable person, would duplicate a fee payable by the underlying investment fund for the same service.

Currency Hedging

The Units are denominated in Canadian dollars.

In respect of the Hedged Units, the Manager will seek to hedge all or substantially all of the exposure that the portfolio of the Evolve Fund may have to foreign currencies back to the Canadian dollar.

In respect of the Unhedged Units, the Evolve Fund will not hedge any foreign currency exposure back to the currency in which the Unhedged Units are denominated.

Hedging currency exposure to reduce the impact of fluctuations in exchange rates is intended to reduce the direct exposure to foreign currency risk for Unitholders. Currency forward agreements, if any, will be entered into in compliance with NI 81-102 with financial institutions that have a “designated rating” as defined in NI 81-102.

Use of Derivatives

The Evolve Fund may use Derivatives from time to time to reduce transaction costs, to increase the liquidity and efficiency of trading, for hedging or investment purposes or to generate additional income. Any use of Derivatives by the Evolve Fund must be in compliance with NI 81-102 and other applicable derivatives legislation and must be consistent with the investment objective and investment strategies of the Evolve Fund.

Securities Lending

The Evolve Fund may enter into securities lending, repurchase and reverse repurchase transactions in compliance with NI 81-102 in order to earn additional income for the Evolve Fund.

Cash and Cash Equivalents

Under normal trading conditions in the money and financial markets, the Evolve Fund will not invest more than 10% of the NAV of the Evolve Fund in cash and cash equivalents. The Sub-Advisor intends to fully invest the portfolio of the Evolve Fund in real estate securities on an on-going basis with cash and cash equivalents being the result of securities sale proceeds being temporarily not reinvested because no investment opportunities arise immediately.

See “Investment Strategies”.

**Special
Considerations
for Purchasers:**

The provisions of the so-called “early warning” requirements set out in Canadian Securities Legislation do not apply in connection with the acquisition of Units. In addition, the Evolve Fund has obtained exemptive relief from the Securities Regulatory Authorities to permit Unitholders to acquire more than 20% of the Units through purchases on the Designated Exchange, without regard to the takeover bid requirements of applicable Canadian Securities Legislation.

See “Attributes of the Securities – Description of the Securities Distributed”.

Risk Factors:

There are certain general risk factors inherent in an investment in the Evolve Fund. In addition to the general risk factors, there are additional risk factors inherent in an investment in the Evolve Fund.

See “Risk Factors”.

Income Tax Considerations:

A Unitholder who is resident in Canada will generally be required to include, in computing income for a taxation year, the amount of income (including any net realized taxable capital gains) that is paid or becomes payable to the Unitholder by the Evolve Fund in that year (including such income that is paid in Units of the Evolve Fund or reinvested in additional Units of the Evolve Fund).

A Unitholder who disposes of a Unit of the Evolve Fund that is held as capital property, including on a redemption or otherwise, will generally realize a capital gain (or capital loss) to the extent that the proceeds of disposition (other than any amount payable by the Evolve Fund to the Unitholder which represents capital gains allocated and designated to the redeeming Unitholder), net of costs of disposition, exceed (or are less than) the adjusted cost base of that Unit.

Each investor should satisfy himself or herself as to the federal and provincial tax consequences of an investment in Units by obtaining advice from his or her tax advisor.

See “Income Tax Considerations”.

Exchange and Redemption of Units:

In addition to the ability to sell Units on the Designated Exchange, Unitholders may also (i) redeem Units for cash at a redemption price per Unit equal to 95% of the closing price of the Units on the Designated Exchange, on the effective day of redemption, subject to a maximum redemption price per Unit equal to the NAV per Unit on the effective day of redemption, less any applicable administrative fee determined by the Manager, in its sole discretion, from time to time, or (ii) exchange a PNU (or an integral multiple thereof) for Baskets of Securities and cash or, in certain circumstances, for cash.

See “Exchange and Redemption of Units – Redemption of Units of the Evolve Fund for Cash” and “Exchange and Redemption of Units – Exchange of Units of the Evolve Fund at NAV per Unit for Baskets of Securities and/or Cash” for further information.

Distributions:

Cash distributions of income, if any, on Units will be payable monthly.

Depending on the underlying investments of the Evolve Fund, distributions on Units may consist of ordinary income, including foreign source income, sourced from foreign dividends, distributions or interest received by the Evolve Fund and dividends from taxable Canadian corporations but may also include net realized capital gains, in any case, less the expenses of the Evolve Fund and may include returns of capital. To the extent that the expenses of the Evolve Fund exceed the income generated by such Evolve Fund in any applicable distribution period, it is not expected that a distribution for that period will be paid.

In addition, the Evolve Fund may from time to time pay additional distributions on its Units, including without restriction in connection with returns of capital.

The tax treatment to Unitholders of distributions is discussed under the heading “Income Tax Considerations”.

See “Distribution Policy”.

Distribution Reinvestment Plan:

The Evolve Fund may provide Unitholders with the opportunity to reinvest cash distributions in additional Units through participation in a distribution reinvestment plan.

See “Distribution Policy – Distribution Reinvestment Plan”.

Termination:

The Evolve Fund does not have a fixed termination date but may be terminated at the discretion of the Manager in accordance with the terms of the Declaration of Trust. See “Termination of the Evolve Fund”.

Eligibility for Investment:

Provided that the Evolve Fund qualifies as a “mutual fund trust” within the meaning of the Tax Act, or the Units are listed on a “designated stock exchange” within the meaning of the Tax Act (which currently includes the Designated Exchange), Units, if issued on the date hereof, would be on such date qualified investments under the Tax Act for a trust governed by an RRSP, a RRIF, an RDSP, a DPSP, an RESP or a TFSA. If the FHSA Amendments are enacted as proposed, the Units of the Evolve Fund will be qualified investments under the Tax

Act for a trust governed by an FHSA provided the conditions discussed above in relation to Plans are satisfied.

See “Income Tax Considerations – Taxation of Registered Plans”.

**Documents
Incorporated by
Reference:**

Additional information about the Evolve Fund is or will be available in the most recently filed annual financial statements, any interim financial statements filed after those annual financial statements, the most recently filed annual management report of fund performance (“MRFP”), any interim MRFP filed after the annual MRFP for the Evolve Fund and the most recently filed ETF Facts or Fund Facts (as applicable) for the Evolve Fund. These documents are incorporated by reference into, and legally form an integral part of, this prospectus. These documents are publicly available on the Manager’s website at www.evolvefunds.com and may be obtained upon request, at no cost, by calling (416)-214-4884 or toll-free at 1-844-370-4884, by sending an email request to info@evolvefunds.com or by contacting a registered dealer. These documents and other information about the Evolve Fund are also publicly available at www.sedar.com.

See “Documents Incorporated by Reference”.

Organization and Management of the Evolve Fund

**Manager, Trustee and
Portfolio Manager:**

In its capacity as manager, EFG is responsible for the administration and operations of the Evolve Fund. In its capacity as trustee, EFG will hold title to the assets of the Evolve Fund in trust for the Unitholders. In its capacity as portfolio manager, EFG will be responsible for the oversight and provision of investment advisory services to the Evolve Fund.

The principal office of the Evolve Fund and EFG is located at Scotia Plaza, 40 King Street West, Suite 3404, Toronto, ON M5H 3Y2.

See “Organization and Management Details of the Evolve Fund – Manager” and “Organization and Management Details of the Evolve Fund – Trustee”.

**Sub-Advisor for the
Evolve Fund:**

The Manager has retained Slate Securities L.P. to provide sub-advisory services to the Evolve Fund. Slate Securities L.P. had approximately C\$327 million in assets under management (including overlay and advisory assets) as at December 31, 2021. Pursuant to the Slate Sub-Advisory Agreement, Slate Securities L.P. may delegate certain or all of its investment management duties to its registered affiliates, including Presima Inc. (“Presima”), in the capacity as sub-sub-advisor.

See “Organization and Management Details of the Evolve Fund – Sub-Advisor for the Evolve Fund”.

Promoter:

EFG has taken the initiative of founding and organizing the Evolve Fund and is, accordingly, the promoter of the Evolve Fund within the meaning of securities legislation of certain provinces and territories of Canada.

See “Organization and Management Details of the Evolve Fund – Promoter”.

- Custodian:** CIBC Mellon Trust Company, at its principal office in Toronto, Ontario, is the Custodian of the assets of the Evolve Fund and holds those assets in safekeeping. The Custodian is entitled to receive fees from the Manager as described under “Fees and Expenses” and to be reimbursed for all expenses and liabilities that are properly incurred by the Custodian in connection with the activities of the Evolve Fund.
- See “Organization and Management Details of the Evolve Fund – Custodian”.
- Fund Administrator:** CIBC Mellon Global Securities Services Company, at its principal office in Toronto, Ontario, is the Fund Administrator. The Fund Administrator is responsible for certain aspects of the day-to-day administration of the Evolve Fund, including NAV calculations, calculating net income and net realized capital gains of the Evolve Fund and maintaining books and records with respect to the Evolve Fund.
- See “Organization and Management Details of the Evolve Fund – Fund Administrator”.
- Registrar and Transfer Agent:** TSX Trust Company, at its principal office in Toronto, Ontario, is the registrar and transfer agent for the Units and maintains the register of registered Unitholders. The register of the Evolve Fund is kept in Toronto, Ontario.
- See “Organization and Management Details of the Evolve Fund – Registrar and Transfer Agent”.
- Lending Agent:** The Bank of New York Mellon, at its principal office in Toronto, Ontario, may act as the securities lending agent for the Evolve Fund pursuant to a securities lending authorization agreement.
- See “Organization and Management Details of the Evolve Fund – Lending Agent”.
- Auditors:** Ernst & Young LLP, at its principal office in Toronto, Ontario, are the auditors of the Evolve Fund. The auditors will audit the Evolve Fund’s annual financial statements and provide an opinion as to whether they present fairly the Evolve Fund’s financial position, financial performance and cash flows in accordance with International Financial Reporting Standards. The auditors are independent with respect to the Evolve Fund within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario.
- See “Organization and Management Details of the Evolve Fund – Auditors”.

Summary of Fees and Expenses

The following table lists the fees and expenses that an investor may have to pay if the investor invests in the Evolve Fund. An investor may have to pay some of these fees and expenses directly. The Evolve Fund may have to pay some of these fees and expenses, which will therefore reduce the value of an investment in the Evolve Fund. See “Fees and Expenses”.

Fees and Expenses Payable by the Evolve Fund

| Type of Fee | Amount and Description |
|------------------------|--|
| Management Fee: | <p>The Evolve Fund will pay an annual management fee (the “Management Fee”) to the Manager for acting as trustee, manager and portfolio manager of the Evolve Fund equal to 0.75% of the net asset value (“NAV”) of the Evolve Fund, calculated daily and payable monthly in arrears, plus applicable taxes.</p> <p>Fees payable to the Sub-Advisor are paid by the Manager out of the Management Fee.</p> <p>The Manager may, at its discretion, agree to charge a reduced Management Fee for some Unitholders as compared to the Management Fee that the Manager would otherwise be entitled to receive from the Evolve Fund, provided that the difference between the fee otherwise chargeable and the reduced fee is distributed periodically by the Evolve Fund to the applicable Unitholders as a management fee distribution (the “Management Fee”).</p> |

Distributions”). Any reduction will depend on a number of factors, including the amount invested, the NAV of the Evolve Fund and the expected amount of account activity. Management Fee Distributions will be paid first out of net income of the Evolve Fund, then out of capital gains of the Evolve Fund and thereafter out of capital.

See “Fees and Expenses”.

Operating Expenses:

Subject to waiver or reimbursement by the Manager, the Evolve Fund pays for its operating expenses (the “**Operating Expenses**”), including but not limited to: mailing and printing expenses for periodic reports to Unitholders; fees payable to the 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 Evolve 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 Evolve Fund; regulatory filing, stock exchange and licensing fees and CDS fees; Fundserv fees (if applicable); banking and interest with respect to any borrowing (if applicable); website maintenance costs; 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 Evolve Fund’s activities. The Manager is not obligated to pay any other expense, cost or fee, including those arising from new government or regulatory requirements relating to the foregoing expenses, costs and fees.

Subject to compliance with NI 81-102, the fund expenses which are payable by the Evolve Fund include any taxes payable by the Evolve Fund to which the Evolve Fund may be subject, including income taxes, sales taxes (including GST/HST) and/or withholding taxes (including preparation costs of such tax filings); expenditures incurred upon termination of the Evolve Fund; extraordinary expenses that the Evolve Fund may incur and all amounts paid on account of any indebtedness (if applicable); any expenses of insurance and costs of all suits or legal proceedings in connection with the Evolve Fund or the assets of the Evolve Fund or to protect the Unitholders, the Trustee, the Manager, and the directors, officers, employees or agents of any of them; any expenses of indemnification of the Trustee, the Unitholders, the Manager and the directors, officers, employees or agents of any of them to the extent permitted under the Declaration of Trust; and expenses relating to the preparation, printing and mailing of information to Unitholders in connection with meetings of Unitholders. The Evolve Fund is also responsible for all commissions and other costs of portfolio transactions and any extraordinary expenses of the Evolve Fund which may be incurred from time to time.

Investments in Other Investment Funds:

In the event that the Evolve Fund invests in one or more other investment funds listed on a stock exchange in Canada or the United States, there shall be no management fees or incentive fees that are payable by the Evolve Fund that, to a reasonable person, would duplicate a fee payable by the underlying investment fund for the same service.

Fees and Expenses Payable Directly by Unitholders

Type of Fee

Amount and Description

Other Charges:

An amount as may be agreed to between the Manager and the Designated Broker or a Dealer may be charged to offset certain transaction costs associated with an issue, exchange or redemption of Units. This charge does not apply to Unitholders who buy and sell their Units through the facilities of the Designated Exchange.

See “Fees and Expenses – Fees and Expenses Payable Directly by the Unitholders – Other Charges” and “Exchange and Redemption of Units – Other Charges”.

OVERVIEW OF THE LEGAL STRUCTURE OF THE EVOLVE FUND

The Evolve Fund is a mutual fund established under the laws of the Province of Ontario, pursuant to the terms of the Declaration of Trust. The Evolve Fund is a mutual fund under Canadian Securities Legislation.

EFG, a registered investment fund manager and portfolio manager, is the trustee, manager and portfolio manager of the Evolve Fund, is the promoter of the Evolve Fund, and in its capacity as manager, will be responsible for the administration of the Evolve Fund. The principal office of the Evolve Fund and EFG is located at Scotia Plaza, 40 King Street West, Suite 3404, Toronto, ON M5H 3Y2.

The Manager has retained Slate Securities L.P. (the “**Sub-Advisor**”) to provide sub-advisory services to the Evolve Fund. In its capacity as portfolio manager, EFG is responsible for the oversight and provision of investment advisory services to the Evolve Fund by the Sub-Advisor. Pursuant to the Slate Sub-Advisory Agreement, Slate Securities L.P. may delegate certain or all of its investment management duties to its registered affiliates, including Presima, in the capacity as sub-sub-advisor.

The following chart sets out the full legal name as well as the ticker symbol for the Units of the Evolve Fund:

| Evolve Fund | Ticker Symbol | |
|---|----------------|--------------|
| | Unhedged Units | Hedged Units |
| Evolve Slate Global Real Estate Enhanced Yield Fund | BILT.B | BILT |

See “Description of the Securities”.

INVESTMENT OBJECTIVES

The investment objective of the Evolve Fund is to provide a recurring income level consistent with the underlying rental income derived from properties owned by the publicly listed real estate issuers held by the Evolve Fund. The Evolve Fund targets a yield return in excess of the yield return of the FTSE EPRA/NAREIT Developed Index. The Evolve Fund aims to achieve a level of volatility which is lower than the volatility of the FTSE EPRA/NAREIT Developed Index measured by using the standard deviation of returns. The expected return will be derived from the yield return but also from capital appreciation and potentially other yield enhancing strategies.

The investment objectives of the Evolve Fund may not be changed except with the approval of its Unitholders. See “Unitholder Matters” for additional descriptions of the process for calling a meeting of Unitholders and the requirements of Unitholder approval.

INVESTMENT STRATEGIES

The Sub-Advisor has identified a universe of about 2,000 issuers on a global basis that fall within its definition of real estate securities. The universe is reassessed and may vary over time as issuers and business models evolve. The Sub-Advisor has filtered the broad universe according to four main criteria: (a) business model: more than 75% of the revenues or value of an issuer must be derived from investment properties with limited development risk; (b) dividends: the dividend yield of the issuer must be above 3% on a historical basis and show the ability to sustain this yield into the future; (c) leverage: the issuer must have an amount of debt that is lower than 60% of the value of its assets; (d) market capitalization: the market capitalization of the issuer must be above US\$250,000,000 (or the equivalent in local currency) for liquidity purposes. The Evolve Fund’s investment policy, which targets high yield issuers, will limit the number of publicly listed real estate developers in which the Evolve Fund will invest.

The eligible markets for the Evolve Fund are those of countries included in the MSCI World Index and the MSCI Emerging Markets Index. The list of the countries included in the MSCI World Index and in the MSCI Emerging Markets Index is available at the website www.msci.com. Reference to this website is made as an inactive textual reference for information purposes only and solely in respect of the information regarding the list of countries included in the MSCI World Index and in the MSCI Emerging Markets Index. Information found at this website is not incorporated by reference into this prospectus. The Manager and the Evolve Fund make no representation as to the

accuracy of any such information. The primary stock exchange where a security is traded determines the market for such a security.

The Evolve Fund will invest in the following types of securities:

- a) common and preferred shares of real estate sector companies (i.e., REITs or REOCs), which derive at least 50% of their value from real estate operations, including, but not limited to, hotels, offices, residential, retail, industrial, gaming establishments, healthcare facilities and seniors and student residences;
- b) bonds, convertible bonds and debentures issued by the companies listed above, that are in the portfolio as a result of corporate actions;
- c) warrants rights and instalment receipts issued by the companies listed above;
- d) exchange traded funds (ETFs) of real estate securities; and
- e) in terms of derivative instruments, the Evolve Fund may write covered options and purchase uncovered options provided that: (a) all options written and purchased by the Evolve Fund must be traded on a recognized options exchange; (b) the option is in respect of a listed security owned by the Evolve Fund when the option is written or in respect to listed real estate securities or listed real estate exchange traded funds (ETFs) when the option is purchased; and (c) the options written or purchased must be sold through a broker and must conform with standardized rules issued by applicable exchanges.

Emerging Markets

The Evolve Fund will not invest more than 10% of the NAV of the Evolve Fund in securities of issuers listed on stock exchanges of emerging markets. Emerging markets are those included in the MSCI Emerging Markets Index from time to time. The primary stock exchange on which a security of an issuer is traded determines the market for that security.

Maximum Weighting in any Issuer

The Evolve Fund will not invest more than 10% of the NAV of the Evolve Fund in securities of any issuer.

Maximum Interest in any Class of Securities

The Evolve Fund will not purchase more than 5% of the outstanding securities of any class of an issuer.

Maximum Weighting by Country

The Evolve Fund may purchase securities of issuers listed on stock exchanges in any country up to a maximum of the higher of:

- Twice the weight of the country in the FTSE EPRA/NAREIT Developed Index; or
- 20% of the NAV of the Evolve Fund.

Covered Call Options

The Sub-Advisor believes that option writing may have the potential to add value and is an effective way to help lower the level of volatility for an investor and potentially improve returns. All other things being equal, higher volatility in the price of a security results in higher option premiums in respect of such security. The Sub-Advisor believes equity securities of the Evolve Fund are suited for a covered call writing strategy. Covered call options will be written by the Sub-Advisor at its discretion on not more than 33% of the equity securities of the Evolve Fund's portfolio at any given time. Such options will generally be at a strike price that is out-of-the-money. The proportion of the equity securities of each issuer in respect of which the Sub-Advisor may write options may differ. The extent to which any of the

individual equity securities in the Evolve Fund's portfolio are subject to option writing and the terms of such options will vary from time to time based on the Sub-Advisor's assessment of the market.

The holder of a call option purchased from the Evolve Fund will have the option, exercisable during a specific time period or at expiry, to purchase the securities underlying the option from the Evolve Fund at the strike price per security. By selling call options, the Evolve Fund will receive option premiums, which are generally paid within one business day of writing the option. If at any time during the term of a call option or at expiry, as applicable, the market price of the underlying securities is above the strike price, the holder of the option may exercise the option and the Evolve Fund will be obligated to sell the securities to the holder at the strike price per security. Alternatively, the Evolve Fund may repurchase a call option it has written that is "in-the-money" by paying the market value of the call option. If, however, the option is "out-of-the-money" at expiration of the call option, the holder of the option will likely not exercise the option, the option will expire and the Evolve Fund will retain the underlying security. In each case, the Evolve Fund will retain the option premium.

The amount of option premium depends upon, among other factors, the volatility of the price of the underlying security: generally, the higher the volatility, the higher the option premium. In addition, the amount of the option premium will depend upon the difference between the strike price of the option and the market price of the underlying security at the time the option is written. The smaller the positive difference (or the larger the negative difference), the more likely it is that the option will become "in-the-money" during the term of the option and, accordingly, the greater the option premium.

When a call option is written on a security in the Evolve Fund's portfolio, the amounts that the Evolve Fund will be able to realize on the security if it is called will be limited to the dividends received prior to the exercise of the call option during such period plus an amount equal to the sum of the strike price and the premium received from writing the option. In essence, the Evolve Fund will forego potential returns resulting from any price appreciation of the security underlying the option above the strike price in favour of the certainty of receiving the option premium. See "Risk Factors – Use of Options Risk".

Many investors and financial market professionals price call options based on the Black Scholes Model. In practice, however, actual option premiums are determined in the marketplace and there can be no assurance that the values generated by the Black Scholes Model can be attained in the market.

Investment in other Investment Funds

In the event the Evolve Fund invests in one or more other investment funds listed on a stock exchange in Canada or the United States, there shall be no management fees or incentive fees that are payable by the Evolve Fund that, to a reasonable person, would duplicate a fee payable by the underlying investment fund for the same service.

Currency Hedging

The Units are denominated in Canadian dollars.

In respect of the Hedged Units, the Manager will seek to hedge all or substantially all of the exposure that the portfolio of the Evolve Fund may have to foreign currencies back to the Canadian dollar.

In respect of the Unhedged Units, the Evolve Fund will not hedge any foreign currency exposure back to the currency in which the Unhedged Units are denominated.

Hedging currency exposure to reduce the impact of fluctuations in exchange rates is intended to reduce the direct exposure to foreign currency risk for Unitholders. Currency forward agreements, if any, will be entered into in compliance with NI 81-102 with financial institutions that have a "designated rating" as defined in NI 81-102.

Use of Derivatives

The Evolve Fund may use Derivatives from time to time to reduce transaction costs, to increase the liquidity and efficiency of trading, for hedging or investment purposes or to generate additional income. Any use of Derivatives by the Evolve Fund must be in compliance with NI 81-102 and other applicable derivatives legislation and must be consistent with the investment objective and investment strategies of the Evolve Fund.

Securities Lending

The Evolve Fund may, in compliance with NI 81-102, lend securities to securities borrowers that are acceptable to it pursuant to the terms of the Securities Lending Agreement under which: (i) the borrower will pay to the Evolve Fund

a negotiated securities lending fee and will make compensation payments to the Evolve Fund equal to any distributions received by the borrower on the securities borrowed; (ii) the securities loans must qualify as “securities lending arrangements” for the purposes of the Tax Act; and (iii) the Evolve Fund will receive collateral. The Lending Agent is responsible for the ongoing administration of the securities loans, including the obligation to mark-to-market the loaned securities and collateral on a daily basis, and ensuring that the collateral at least equals the required margin percentage as set out in the Securities Lending Agreement. Any securities lending revenues, net of Lending Agent fees, taxes and, if applicable, rebate payments to borrowers for cash collateral, will be credited to the account of the Evolve Fund from which the securities were borrowed.

Cash and Cash Equivalents

Under normal trading conditions in the money and financial markets, the Evolve Fund will not invest more than 10% of the NAV of the Evolve Fund in cash and cash equivalents. The Sub-Advisor intends to fully invest the portfolio of the Evolve Fund in real estate securities on an on-going basis with cash and cash equivalents being the result of securities sale proceeds being temporarily not reinvested because no investment opportunities arise immediately.

OVERVIEW OF THE SECTORS THAT THE EVOLVE FUND INVESTS IN

Please see “Investment Objectives” and “Investment Strategies” for information on the sectors applicable to the Evolve Fund.

INVESTMENT RESTRICTIONS

The Evolve Fund is subject to certain investment restrictions and practices contained in securities legislation, including NI 81-102, which are designed in part to ensure that the investments of the Evolve Fund are diversified and relatively liquid and to ensure its proper administration. A change to the fundamental investment objective of the Evolve Fund would require the approval of the Unitholders of the Evolve Fund. Please see “Unitholder Matters – Matters Requiring Unitholders Approval”.

Subject to the following, and any exemptive relief that has been or will be obtained, the Evolve Fund is managed in accordance with the investment restrictions and practices set out in the applicable securities legislation, including NI 81-102. See “Exemptions and Approvals”.

Tax Related Investment Restrictions

The Evolve Fund will not make an investment or conduct any activity that would result in the Evolve Fund failing to qualify as a “unit trust” or “mutual fund trust” within the meaning of the Tax Act.

FEES AND EXPENSES

This section details the fees and expenses that an investor may have to pay if the investor invests in the Evolve Fund. An investor may have to pay some of these fees and expenses directly. The Evolve Fund may have to pay some of these fees and expenses, which will therefore reduce the value of an investment in the Evolve Fund.

Fees and Expenses Payable by the Evolve Fund

Management Fees

The Evolve Fund will pay an annual management fee (the “**Management Fee**”) to the Manager for acting as trustee, manager and portfolio manager of the Evolve Fund equal to 0.75% of the net asset value (“**NAV**”) of the Evolve Fund, calculated daily and payable monthly in arrears, plus applicable taxes.

See “Organization and Management Details of the Evolve Fund – Manager – Duties and Services to be Provided by the Manager” for a description of the services provided by the Manager.

Fees payable to the Sub-Advisor are paid by the Manager out of the Management Fee.

To encourage very large investments in the Evolve Fund by a particular Unitholder, the Manager may, at its discretion, agree to charge a reduced Management Fee for some Unitholders as compared to the Management Fee that the Manager would otherwise be entitled to receive from the Evolve Fund, provided that the difference between the fee otherwise chargeable and the reduced fee is distributed periodically by the Evolve Fund to the applicable Unitholders

as a management fee distribution (the “**Management Fee Distributions**”). Any reduction will depend on a number of factors, including the amount invested, the NAV of the Evolve Fund and the expected amount of account activity. Management Fee Distributions will be paid first out of net income of the Evolve Fund, then out of capital gains of the Evolve Fund and thereafter out of capital. The tax consequences of a Management Fee Distribution will generally be borne by the Unitholder who receives the distribution. See “Income Tax Considerations – Taxation of Holders”.

Operating Expenses

Subject to waiver or reimbursement by the Manager, the Evolve Fund pays for its Operating Expenses, including but not limited to: mailing and printing expenses for periodic reports to Unitholders; fees payable to the 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 Evolve 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 Evolve Fund; regulatory filing, stock exchange and licensing fees and CDS fees; Fundserv fees (if applicable); banking and interest with respect to any borrowing (if applicable); website maintenance costs; 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 Evolve Fund’s activities. The Manager is not obligated to pay any other expense, cost or fee, including those arising from new government or regulatory requirements relating to the foregoing expenses, costs and fees.

Subject to compliance with NI 81-102, the fund expenses which are payable by the Evolve Fund include any taxes payable by the Evolve Fund to which the Evolve Fund may be subject, including income taxes, sales taxes (including GST/HST) and/or withholding taxes (including preparation costs of such tax filings); expenditures incurred upon termination of the Evolve Fund; extraordinary expenses that the Evolve Fund may incur and all amounts paid on account of any indebtedness (if applicable); any expenses of insurance and costs of all suits or legal proceedings in connection with the Evolve Fund or the assets of the Evolve Fund or to protect the Unitholders, the Trustee, the Manager, and the directors, officers, employees or agents of any of them; any expenses of indemnification of the Trustee, the Unitholders, the Manager and the directors, officers, employees or agents of any of them to the extent permitted under the Declaration of Trust; and expenses relating to the preparation, printing and mailing of information to Unitholders in connection with meetings of Unitholders. The Evolve Fund is also responsible for all commissions and other costs of portfolio transactions and any extraordinary expenses of the Evolve Fund which may be incurred from time to time.

Investments in Other Investment Funds

In the event that the Evolve Fund invests in one or more other investment funds listed on a stock exchange in Canada or the United States, there shall be no management fees or incentive fees that are payable by the Evolve Fund that, to a reasonable person, would duplicate a fee payable by the underlying investment fund for the same service.

Fees and Expenses Payable Directly by the Unitholders

Other Charges

An amount as may be agreed to between the Manager and the Designated Broker or a Dealer may be charged to offset certain transaction costs associated with an issue, exchange or redemption of Units. This charge does not apply to Unitholders who buy and sell their Units through the facilities of the Designated Exchange. See “Exchange and Redemption of Units – Other Unit Charges”.

RISK FACTORS

A mutual fund is a pool of investments made on behalf of people with a similar investment objective. When a Unitholder invests in a mutual fund, the Unitholder’s money is working together with that of many other investors. Investors share a mutual fund’s income, expenses, gains and losses in proportion to their interest in the mutual fund. Mutual funds can give individuals the advantages of a simpler, more accessible, less expensive and less time-consuming method of investing in a portfolio of securities.

Mutual funds own different types of investments, depending upon their investment objectives. The value of these investments will change from day to day, reflecting changes in interest rates, economic conditions and market and company news. As a result, the value of a mutual fund's units may go up and down, and the value of a Unitholder's investment in a mutual fund may be more or less at the time of redemption or sale as compared to the value of the Units at the time of purchase.

In addition to the considerations set out elsewhere in this prospectus, the following are certain considerations relating to an investment in Units that prospective investors should consider before purchasing such Units:

General Risks of Investments

The value of the underlying securities of the Evolve Fund, whether held directly or indirectly, may fluctuate in accordance with changes in the financial condition of the issuers of those underlying securities, the condition of equity and currency markets generally and other factors.

The risks inherent in investments in equity securities, whether held directly or indirectly, include the risk that the financial condition of the issuers of the securities may become impaired or that the general condition of the stock market may deteriorate (either of which may cause a decrease in the value of the Evolve Fund's portfolio, and, as a result, a decrease in the value of the Units). Equity securities are susceptible to general stock market fluctuations and the financial condition of the issuer. These investor perceptions are based on various and unpredictable factors, including expectations regarding government, economic, monetary and fiscal policies, inflation and interest rates, economic expansion or contraction and global or regional political, economic and banking crises.

Asset Class Risk

The securities in the portfolio of the Evolve Fund may underperform the returns of other securities that track other countries, regions, industries, asset classes or sectors. Various asset classes tend to experience cycles of outperformance and underperformance in comparison to the general securities markets.

Issuer Risk

Performance of the Evolve Fund depends on the performance of the individual securities to which the Evolve Fund has exposure. Changes in the financial condition or credit rating of an issuer of those securities may cause the value of the securities to decline.

Reliance on Key Personnel

Unitholders will be dependent on the abilities of the Manager and the Sub-Advisor to effectively manage the Evolve Fund in a manner consistent with its investment objectives, investment strategies and investment restrictions. There is no certainty that the individuals who are principally responsible for providing administration and portfolio management services to the Evolve Fund will continue to be employed by the Manager or the Sub-Advisor.

Trading Price of Units

Units may trade in the market at a premium or a discount to the NAV per Unit. There can be no assurance that Units will trade at prices that reflect their NAV per Unit. The trading price of the Units will fluctuate in accordance with changes in the Evolve Fund's NAV, as well as market supply and demand on the Designated Exchange.

Fluctuations in NAV and NAV per Unit

The NAV and NAV per Unit of the Evolve Fund will vary according to, among other things, the value of the securities held by the Evolve Fund. The Manager, the Sub-Advisor and the Evolve Fund have no control over the factors that affect the value of the securities held by the Evolve Fund, including factors that affect the equity markets generally, such as general economic and political conditions, fluctuations in interest rates and factors unique to each issuer included in the Evolve Fund's portfolio, if applicable, such as changes in management, changes in strategic direction, achievement of strategic goals, mergers, acquisitions and divestitures, changes in distribution and dividend policies and other events.

Cease Trading of Securities Risk

If the securities of an issuer included in the portfolio of the Evolve Fund are cease-traded by order of the relevant Securities Regulatory Authority or are halted from trading by the relevant stock exchange, the Evolve Fund may halt trading in its Units or temporarily suspend redemptions. Accordingly, securities of the Evolve Fund bear the risk of cease trading orders against all issuers whose securities are included in its portfolio, not just one. If portfolio securities

of the Evolve Fund are cease-traded by order of a Securities Regulatory Authority, if normal trading of such securities is suspended on the relevant exchange, or if for any reason it is likely there will be no closing bid price for such securities, the Evolve Fund may suspend the right to redeem Units, subject to any required prior regulatory approval. If the right to redeem Units is suspended for any reason, the Evolve Fund may return redemption requests to Unitholders who have submitted them. In respect of the Units, if securities are cease-traded, they may not be delivered on an exchange of a PNU for a Basket of Securities until such time as the cease-trade order is lifted.

Concentration Risk

The Evolve Fund may have more of its net assets invested in one or more issuers and/or sectors than is typical or permitted for many investment funds. In these circumstances, the Evolve Fund may be affected more by the performance of individual issuers in its portfolio, with the result that the NAV of the Evolve Fund may be more volatile and may fluctuate more over short periods of time than the NAV of a more broadly diversified investment fund. In addition, this may increase the liquidity risk of the Evolve Fund which may, in turn, have an effect on the Evolve Fund's ability to satisfy redemption requests.

Currency Fluctuations Risk

As the Evolve Fund may be invested in securities traded in foreign currencies, the NAV of the Evolve Fund, when measured in Canadian dollars, will, to the extent this has not been hedged against, be affected by changes in the value of the foreign currency relative to the Canadian dollar.

Use of Derivatives

The Evolve Fund may use Derivatives from time to time in accordance with NI 81-102 as described under "Investment Strategies". The use of Derivatives involves risks different from, and possibly greater than, the risks associated with investing directly in securities and other traditional investments. Risks associated with the use of Derivatives include: (i) there is no guarantee that hedging to reduce risk will not result in a loss or that there will be a gain; (ii) there is no guarantee that a market will exist when the Evolve Fund wants to complete the Derivative contract, which could prevent the Evolve Fund from reducing a loss or making a profit; (iii) securities exchanges may impose trading limits on options and futures contracts, and these limits may prevent the Evolve Fund from completing the Derivative contract; (iv) the Evolve Fund could experience a loss if the other party to the Derivative contract is unable to fulfill its obligations; (v) if the Evolve Fund has an open position in an option, a futures contract or a forward contract or a swap with a Dealer or Counterparty who goes bankrupt, the Evolve Fund could experience a loss and, for an open futures or forward contract or a swap, a loss of margin deposits with that Dealer or Counterparty; and (vi) if a Derivative is based on a stock market index and trading is halted on a substantial number of stocks in the index or there is a change in the composition of the index, there could be an adverse effect on the Derivative.

Securities Lending Risk

The Evolve Fund is authorized to enter into securities lending, repurchase and reverse repurchase transactions in accordance with NI 81-102. In a securities lending transaction, the Evolve Fund lends its portfolio securities through an authorized agent to another party (often called a "**Counterparty**") and receives a negotiated fee and a required percentage of acceptable collateral (equal to or greater than 102%). The following are some examples of the risks associated with securities lending transactions:

- when entering into securities lending transactions, the Evolve Fund is subject to the credit risk that the Counterparty may default under the agreement and the Evolve Fund would be forced to make a claim in order to recover its security, or its equivalent value;
- when recovering its security on default, the Evolve Fund could incur a loss if the value of the portfolio securities loaned (in a securities lending transaction) or sold (in a repurchase transaction) has increased in value relative to the value of the collateral held by the Evolve Fund; and
- similarly, the Evolve Fund could incur a loss if the value of the portfolio securities it has purchased (in a reverse repurchase transaction) decreases below the amount of cash paid by the Evolve Fund to the Counterparty.

The Evolve Fund may engage in securities lending from time to time. When engaging in securities lending, the Evolve Fund will receive collateral in excess of the value of the securities loaned, and although such collateral is marked to market, the Evolve Fund may be exposed to the risk of loss should a borrower default on its obligations to return the borrowed securities and the collateral is insufficient to reconstitute the portfolio of loaned securities.

Changes in Legislation

There can be no assurance that income tax, securities and other laws will not be changed in a manner that adversely affects the Evolve Fund or the Unitholders. There can be no assurance that Canadian federal income tax laws and the administrative policies and assessing practices of the CRA respecting the treatment of mutual fund trusts, SIFT trusts or an investment in a non-resident trust will not be changed in a manner that adversely affects the Evolve Fund or the Unitholders.

Changes in Real Estate Value

The Evolve Fund invests in equity and debt backed by real estate, the value of which can fluctuate. The value of real estate is affected by general economic conditions, local real estate markets, the attractiveness of the property to tenants where applicable, competition from other available properties, fluctuations in occupancy rates, operating expenses and other factors. The value of income-producing real property may also depend on the credit worthiness and financial stability of the borrowers and/or the tenants. In respect of the Evolve Fund's debt investments, changes in market conditions may decrease the value of the secured property and reduce the cash flow from such properties, thereby impacting on the ability of the borrowers to service the debt and/or repay the loan based on the property income. Worldwide and local economic disruptions in areas where the borrowers may be located may adversely affect the value of real estate on which the loans are secured and the ability of the borrowers to repay the loans and thereby negatively impact on the Evolve Fund's investments and the value of the portfolio of the Evolve Fund.

Taxation of the Evolve Fund

It is anticipated that the Evolve Fund will qualify, or will be deemed to qualify, at all times as a "mutual fund trust" within the meaning of the Tax Act. For the Evolve Fund to qualify as a "mutual fund trust", it must comply on a continuous basis with certain requirements relating to the qualification of its Units for distribution to the public, the number of Unitholders and the dispersal of ownership of a particular class of its Units.

A trust will be deemed not to be a mutual fund trust if it is established or maintained primarily for the benefit of non-residents of Canada unless, at that time, all or substantially all of its property is property other than property that would be "taxable Canadian property" (if the definition of such term in the Tax Act were read without reference to paragraph (b) thereof). The law does not provide any means of rectifying a loss of mutual fund trust status if this requirement is not met. The Evolve Fund contains a restriction on the number of permitted non-resident Unitholders.

The Evolve Fund is expected to meet all the requirements to qualify as a "mutual fund trust" for the purposes of the Tax Act before the 91st day after the end of its first taxation year (determined without regard to any taxation year-end that may be deemed to occur for other purposes under the rules in the Tax Act relating to "loss restriction events"). Assuming the Evolve Fund meets these requirements before such day, the Evolve Fund will file an election to qualify as a mutual fund trust from its inception.

If the Evolve Fund does not qualify as a mutual fund trust or were to cease to so qualify, the income tax considerations as described under "Income Tax Considerations" would in some respects be materially and adversely different. For example, if the Evolve Fund does not qualify as a "mutual fund trust" within the meaning of the Tax Act throughout a taxation year, the Evolve Fund may be liable to pay alternative minimum tax and/or tax under Part XII.2 of the Tax Act, and would not be entitled to the Capital Gains Refund (as defined herein). In addition, if the Evolve Fund does not qualify as a mutual fund trust, it may be subject to the "mark-to-market" rules under the Tax Act if more than 50% of the fair market value of the Units are held by "financial institutions", within the meaning of the Tax Act.

The tax treatment of gains and losses realized by the Evolve Fund will depend on whether such gains or losses are treated as being on income or capital account, as described in this paragraph. In determining its income for tax purposes, the Evolve Fund will treat gains or losses realized on the disposition of portfolio securities held by it as capital gains and losses. In general, gains and losses realized by the Evolve Fund from Derivative transactions will be on income account except where such Derivatives are used to hedge portfolio securities held on capital account provided there is sufficient linkage, subject to the DFA Rules discussed below. Gains or losses in respect of currency hedges entered into in respect of amounts invested in the portfolio of the Evolve Fund will constitute capital gains and capital losses to the Evolve Fund if the securities in the Evolve Fund's portfolio are capital property to the Evolve Fund and provided there is sufficient linkage. The Evolve Fund will also treat option premiums received on the writing of covered call options and any gains or losses sustained on closing out such options as capital gains and capital losses in accordance with the CRA's published administrative policies. Designations with respect to the Evolve Fund's income and capital gains will be made and reported to Unitholders on the foregoing basis. The CRA's practice is not to grant advance

income tax rulings on the characterization of items as capital gains or income and no advance income tax ruling has been requested or obtained. If these foregoing dispositions or transactions of the Evolve Fund are determined not to be on capital account (whether because of the DFA Rules discussed below or otherwise), the net income of the Evolve Fund for tax purposes and the taxable component of distributions to its Unitholders could increase. Any such redetermination by the CRA may result in the Evolve Fund being liable for unremitted withholding taxes on prior distributions made to its Unitholders who were not resident in Canada for purposes of the Tax Act at the time of the distribution. Such potential liability may reduce the NAV and NAV per Unit of the Evolve Fund.

The Tax Act contains rules (the “**DFA Rules**”) that target certain financial arrangements (described in the DFA Rules as “derivative forward agreements”) that seek to deliver a return based on an “underlying interest” (other than certain excluded underlying interests) for purposes of the DFA Rules. The DFA Rules are broad in scope and could apply to other agreements or transactions (including certain option contracts). If the DFA Rules were to apply in respect of any Derivatives to be utilized by the Evolve Fund, gains realized in respect of the property underlying such Derivatives could be treated as ordinary income rather than capital gains. Provided a covered call option is written by the Evolve Fund in the manner described under “Investment Strategies – Covered Option Writing”, the writing of such call option will generally not be subject to the DFA Rules.

Pursuant to rules in the Tax Act, if the Evolve Fund experiences a “loss restriction event” (i) it will be deemed to have a year-end for tax purposes (which would result in an unscheduled distribution of the Evolve Fund’s net income and net realized capital gains, if any, at such time to Unitholders so that the Evolve Fund is not liable for income tax on such amounts under Part I of the Tax Act), and (ii) it will become subject to the loss restriction rules generally applicable to a corporation that experiences an acquisition of control, including a deemed realization of any unrealized capital losses and restrictions on its ability to carry forward losses. Generally, the Evolve Fund will be subject to a loss restriction event if a Unitholder becomes a “majority-interest beneficiary”, or a group of persons becomes a “majority-interest group of beneficiaries”, of the Evolve Fund, as those terms are defined in the affiliated persons rules contained in the Tax Act, with certain modifications. Generally, a majority-interest beneficiary of the Evolve Fund is a beneficiary in the income or capital, as the case may be, of the Evolve Fund whose beneficial interests, together with the beneficial interests of persons and partnerships with whom the beneficiary is affiliated, have a fair market value that is greater than 50% of the fair market value of all the interests in the income or capital, as the case may be, of the Evolve Fund. Please see “Income Tax Considerations – Taxation of Holders” for the tax consequences of an unscheduled or other distribution to Unitholders. Trusts that qualify as “investment funds” as defined in the rules in the Tax Act relating to loss restriction events are generally excepted from the application of such rules. An “investment fund” for this purpose includes a trust that meets certain conditions, including satisfying certain of the conditions necessary to qualify as a “mutual fund trust” for purposes of the Tax Act, not holding any property that it uses in the course of carrying on a business and complying with certain asset diversification requirements. If the Evolve Fund were not to qualify as an “investment fund”, it could potentially have a loss restriction event and thereby become subject to the related tax consequences described above.

The Tax Act contains rules (the “**SIFT Rules**”) concerning the taxation of publicly traded Canadian trusts and partnerships that own certain types of property defined as “non-portfolio property”. A trust that is subject to these rules is subject to trust level taxation, at rates comparable to those that apply to corporations, on the trust’s income earned from “non-portfolio property” to the extent that such income is distributed to its unitholders. If the Evolve Fund is subject to tax under the SIFT Rules, the after-tax return to its Unitholders could be reduced, particularly in the case of a Unitholder who is exempt from tax under the Tax Act or is a non-resident of Canada.

The Evolve Fund will invest in global equity and debt securities. Many foreign countries preserve their right under domestic tax laws and applicable tax conventions with respect to taxes on income and on capital (“**Tax Treaties**”) to impose tax on dividends, distributions or interest paid or credited to persons who are not resident in such countries. While the Evolve Fund intends to make investments in such a manner as to minimize the amount of foreign taxes incurred under foreign tax laws and subject to any applicable Tax Treaties, investments in global equity and debt securities may subject the Evolve Fund to foreign taxes on dividends, distributions or interest paid or credited to it or any gains realized on the disposition of such securities. Any foreign taxes incurred by the Evolve Fund will generally reduce the value of its portfolio. To the extent that such foreign tax paid by the Evolve Fund exceeds 15% of the amount included in the Evolve Fund’s income from such investments, such excess may generally be deducted by the Evolve Fund in computing its net income for the purposes of the Tax Act. To the extent that foreign tax paid does not exceed 15% of the amount included in the Evolve Fund’s income from such investments and has not been deducted in computing the Evolve Fund’s income and the Evolve Fund designates its income from a foreign source in respect of a Unitholder, the Unitholder will, for the purposes of computing its foreign tax credits, be entitled to treat the

Unitholder's proportionate share of foreign taxes paid by the Evolve Fund in respect of such income as foreign taxes paid by the Unitholder. The availability of foreign tax credits to a Unitholder is subject to the detailed rules in the Tax Act.

Cease Trading of Units

If issuers in the portfolio of the Evolve Fund are cease traded at any time by a Securities Regulatory Authority or other relevant regulator or stock exchange, the Manager may suspend the exchange or redemption of Units until such time as the transfer of the securities is permitted as described under "Purchases of Units – Suspension of Exchanges and Redemptions". As a result, when the Evolve Fund holds securities traded on an exchange or other organized market, the Evolve Fund bears the risk of cease trading orders against any securities held in the Evolve Fund's portfolio.

Cyber Security Risk

Cyber security risk is the risk of harm, loss and liability resulting from a failure or breach of information technology systems. Failures or breaches of the information technology systems ("**Cyber Security Incidents**") can result from deliberate attacks or unintentional events and may arise from external or internal sources. Deliberate cyber attacks include, but are not limited to, gaining unauthorized access to digital systems (e.g., through "hacking" or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data, equipment or systems, or causing operational disruption. Deliberate cyber attacks may also be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on websites (i.e., efforts to make network services unavailable to intended users).

The primary risks to the Evolve Fund from the occurrence of a Cyber Security Incident include disruption in operations, reputational damage, disclosure of confidential information, the incurrence of regulatory penalties, additional compliance costs associated with corrective measures and/or financial loss. Cyber Security Incidents of the Evolve Fund's third party service providers (e.g. administrators, transfer agents, custodians and sub-custodians) or issuers that the Evolve Fund invests in can also subject the Evolve Fund to many of the same risks associated with direct Cyber Security Incidents. The Evolve Fund and its Unitholders could be negatively impacted as a result.

Market Disruptions Risk

War and occupation, terrorism and related geopolitical risks may in the future lead to increased short-term market volatility and may have adverse long-term effects on world economies and markets generally, including U.S., Canadian and other economies and securities markets. The spread of coronavirus disease (COVID-19) has caused a slowdown in the global economy and has caused volatility in global financial markets. Coronavirus disease or any other disease outbreak may adversely affect the performance of the Evolve Fund. The effects of future terrorist acts (or threats thereof), military action or similar unexpected disruptive events on the economies and securities markets of countries cannot be predicted. These events could also have an acute effect on individual issuers or related groups of issuers. These risks could also adversely affect securities markets, inflation and other factors relating to value of the portfolio of the Evolve Fund.

Upon the occurrence of a natural disaster such as flood, hurricane, or earthquake, or upon an incident of war, riot or civil unrest or disease outbreak, the impacted country may not efficiently and quickly recover from such event, which could have a materially adverse effect on borrowers and other developing economic enterprises in such country.

Sensitivity to Interest Rate Fluctuations

It is anticipated that the market value of Units and the value of the securities held in the portfolio of the Evolve Fund at any given time may be affected by the level of interest rates prevailing at such time. A rise in interest rates may have a negative effect on the market value of the Units. Unitholders who wish to redeem or sell their Units may, therefore, be exposed to the risk that the redemption price or sale price of the Units will be negatively affected by interest rate fluctuations.

No Guarantees

An investment in the Evolve Fund is not guaranteed. Unlike bank accounts or guaranteed investment certificates (GICs), mutual fund securities are not covered by Canada Deposit Insurance Corporation or any other government deposit insurer.

Suspension of Redemptions

Under exceptional circumstances, the Evolve Fund may suspend redemptions. See “Exchange and Redemption of Units – Suspension of Exchanges and Redemptions”.

Credit Risk

The investments of the Evolve Fund in bonds and debentures exposes the Evolve Fund to the credit risk of the underlying issuer including risk of default on interest and principal and the risk that the credit ratings of such issuers may be downgraded in certain circumstances. Certain of the bonds and debentures may be regarded as predominantly speculative with respect to the issuers continuing ability to meet principal and interest payments. They may be more susceptible to real or perceived adverse economic and competitive industry conditions than higher rated securities. The markets on which lower rated bonds and debentures are traded may be less liquid than the markets for investment-grade rated securities. During periods of thin trading in these markets, the spread between bid and ask prices is likely to increase significantly and the Evolve Fund may have difficulty selling such securities. Global financial markets have experienced a significant re-pricing recently that has contributed to a reduction in liquidity and the availability of credit, enhancing the likelihood of default by some issuers due to diminishing profitability or an inability to refinance existing debt. In addition, real or anticipated changes in the credit ratings on bonds and debentures held in the portfolio of the Evolve Fund may affect the market value of such bonds and debentures.

Currency Hedging Risk

In respect of Hedged Units, the Manager will seek to hedge all or substantially all direct foreign currency exposure by entering into currency forward contracts with financial institutions that have a “designated rating” as defined in NI 81-102. For regulatory and operational reasons, the Manager may not be able to fully hedge such foreign exposure at all times. Although there is no assurance that these currency forward contracts will be effective, the Manager expects these currency forward contracts to be substantially effective.

The effectiveness of the Evolve Fund’s currency hedging strategy will, in general, be affected by the volatility of the Evolve Fund and the volatility of the Canadian dollar relative to the foreign currency. Increased volatility will generally reduce the effectiveness of the currency hedging strategy. The effectiveness of this currency hedging strategy may also be affected by any significant difference between the Canadian dollar and foreign currencies’ interest rates.

In respect of the Unhedged Units, the Evolve Fund will not hedge any foreign currency exposure back to the currency in which the Unhedged Units are denominated.

Emerging Markets Risk

The Evolve Fund may be subject to a number of risks specific to having exposure to issuers in emerging markets. Investments in the securities of issuers in emerging markets involve risks not associated with investments in the securities of issuers in developed markets. Emerging markets can be substantially more volatile and substantially less liquid than more developed markets, such as Canada or the United States. Emerging markets are subject to greater political and economic instability, uncertainty regarding the existence of trading markets and more governmental limitations on foreign investment than more developed markets.

There may be less information publicly available with regard to emerging market issuers and such issuers are not subject to the uniform accounting, auditing and financial reporting standards applicable to Canadian issuers. There may be no single centralized securities exchange on which securities are traded in emerging markets and the systems of corporate governance to which companies in emerging markets are subject may be less advanced than that to which Canadian issuers are subject. As a result, investors in such companies may not receive many of the protections available to investors in Canada.

Securities laws in many emerging markets are relatively new and unsettled. Laws regarding foreign investment in emerging market securities, securities regulation, title to securities and shareholder rights may change quickly and unpredictably. Further, the enforcement of systems of taxation at federal, regional and local levels in emerging markets may be inconsistent and subject to sudden change.

Exchange Rate Risk

Changes in foreign currency exchange rates may affect the NAV of the Evolve Fund to the extent it holds investments denominated in currencies other than the Canadian dollar. The Units are Canadian dollar denominated. As a portion

of the Evolve Fund's portfolio may be invested in securities traded in foreign currencies, the NAV, when measured in Canadian dollars, will, to the extent this has not been hedged against, be affected by changes in the value of the foreign currencies relative to the Canadian dollar.

Exchange Traded Funds Risk

The Evolve Fund may invest in exchange traded funds that seek to provide returns similar to the performance of a particular market index or industry sector index. Any such exchange traded fund may not achieve the same return as its benchmark market or industry sector index due to differences in the actual weightings of securities held in the fund versus the weightings in the relevant index and due to the operating and administrative expenses of the fund.

Extension Risk

During periods of rising interest rates, an issuer may exercise its right to pay principal on an obligation later than expected. Under these circumstances, the value of the obligation will decrease and the Evolve Fund's performance may suffer from its inability to invest in higher yielding securities.

Fluctuations in Distributions, Dividends and the Value of REITs and Real Estate Corporations

To the extent the Evolve Fund is invested in REITs and real estate corporations, the value of the constituent securities of such REITs and real estate corporations will depend, in part, upon the performance of such REITs and real estate corporations. The amount of distributions available for payment to Unitholders may depend on the amount of distributions and dividends paid by the securities included in the portfolio of the Evolve Fund. Some of the issuers included in the portfolio of the Evolve Fund may have limited operating histories or limited histories operating as REITs or real estate corporations, as the case may be. The amounts which such issuers have distributed (either as distributions or dividends) may not be sustainable and the forecast distributions or dividends of such issuers may not be realized.

The value of the Evolve Fund's portfolio may also be influenced by factors that are not within the control of the Evolve Fund, the Manager or the Sub-Advisor, including the financial performance of the respective issuers, operational risks relating to the investments in the quality of assets owned by respective issuers, exchange rates, interest rates, the use of leverage, environmental risks, political risks, issues relating to government regulation and other financial market conditions. Investments in REITs and real estate corporations are subject to the general risks associated with real property investments, which may be affected by various factors including changes in general economic conditions (such as the availability of long term mortgage funds) and in local conditions (such as oversupply of space or a reduction in demand for real estate in the area), the attractiveness of the properties to tenants, competition from other available space and various other factors. The value of real property and any improvements thereto may also depend on the credit and financial stability of the tenants. The income of a REIT or real estate corporation that is available for payment to its unitholders or shareholders, as the case may be, would be adversely affected if a significant number of tenants were to become unable to meet their obligations to the REIT or real estate corporation, or if the REIT or real estate corporation was unable to lease a significant amount of available space in its properties on economically favourable lease terms.

Foreign Market Risk

Participation in transactions by the Evolve Fund may involve the execution and clearing of trades on or subject to the rules of a foreign market. None of the Securities Regulatory Authorities or Canadian exchanges regulates activities of any foreign markets, including the execution, delivery and clearing of transactions, or has the power to compel enforcement of any rule of a foreign market or any applicable foreign law. Generally, any foreign transaction will be governed by applicable foreign laws. This is true even if the foreign market is formally linked to a Canadian market so that a position taken on a market may be liquidated by a transaction on another market. Moreover, such laws or regulations will vary depending on the foreign country in which the transaction occurs. For these reasons, entities such as the Evolve Fund may not be afforded certain of the protective measures provided by Canadian legislation or Canadian exchanges. In particular, funds received from investors for transactions by the Evolve Fund on foreign exchanges may not be provided the same protection as funds received in respect of transactions by the Evolve Fund on Canadian exchanges.

General Risks of Debt Instruments

The value of the underlying debt securities of the Evolve Fund will be affected by changes in the general level of interest rates. Generally, debt securities will decrease in value when interest rates rise and will increase in value when interest rates decline. Securities with longer durations tend to be more interest rate sensitive, which may make them more volatile than securities with shorter durations. The NAV of the Evolve Fund will fluctuate with interest rate changes and the corresponding changes in the value of the securities held by the Evolve Fund. The value of the bonds held by the Evolve Fund may be affected by price changes due to a change in general economic conditions.

General Risks of Equity Investments

Holders of equity securities of an issuer incur more risk than holders of debt obligations of such issuer because shareholders, as owners of such issuer, have generally inferior rights to receive payments from such issuer in comparison with the rights of creditors of, or holders of debt obligations issued by, such issuer. Further, unlike debt securities, which typically have a stated principal amount payable at maturity (whose value, however, will be subject to market fluctuations prior thereto), equity securities have neither a fixed principal amount nor a maturity.

Distributions on the Units will generally depend upon the declaration of dividends or distributions on the securities held in the portfolio of the Evolve Fund, as applicable. The declaration of such dividends or distributions generally depends upon various factors, including the financial condition of the issuers held in the portfolio of the Evolve Fund and general economic conditions. Therefore, there can be no assurance that the issuers held in the portfolio of the Evolve Fund will pay dividends or distributions on the securities.

General Risks of Foreign Investments

The Evolve Fund may invest, directly or indirectly, in foreign equity securities. In addition to the general risks associated with equity investments, investments in foreign securities may involve unique risks not typically associated with investing in Canada. Foreign exchanges may be open on days when the Evolve Fund or the underlying fund, if applicable, does not price their securities and, therefore, the value of the securities traded on such exchanges may change on days when investors are not able to purchase or sell Units. Information about corporations not subject to Canadian reporting requirements may not be complete, may not reflect the extensive accounting or auditing standards required in Canada and may not be subject to the same level of government supervision or regulation as would be the case in Canada.

Some foreign securities markets may be volatile or lack liquidity and some foreign markets may have higher transaction and custody costs and delays in attendant settlement procedures. In some countries, there may be difficulties in enforcing contractual obligations and investments could be affected by political instability, social instability, expropriation or confiscatory taxation.

In the case of the Evolve Fund holding foreign securities, whether directly or indirectly, dividends or distributions on those foreign securities may be subject to withholding taxes.

General Risks of Preferred Shares

An investment in the Evolve Fund should be made with an understanding that the value of the underlying securities may be affected by changes in the general level of interest rates. Generally, preferred shares will decrease in value when interest rates rise and will increase in value when interest rates decline. Securities with longer durations tend to be more interest rate sensitive, which may make them more volatile than securities with shorter durations. The NAV of the Evolve Fund may fluctuate with interest rate changes and the corresponding changes in the value of the securities held by the Evolve Fund. The value of the securities held by the Evolve Fund may be affected by price changes due to a change in general economic conditions.

Hedging Risk

The use of currency hedges by the Evolve Fund, if used, involves special risks, including the possible default by the other party to the transaction, illiquidity and, to the extent the Manager's assessment of certain market movements is incorrect, the risk that the use of hedges could result in losses greater than if the hedging had not been used. Hedging arrangements may have the effect of limiting or reducing the total returns to the Evolve Fund if the Manager's expectations concerning future events or market conditions prove to be incorrect. In addition, the costs associated with a hedging program may outweigh the benefits of the arrangements in such circumstances.

Illiquid Securities Risk

If the Evolve Fund is unable to dispose of some or all of the securities held by it, the Evolve Fund may experience a delay in the receipt of the proceeds of disposition until such time as it is able to dispose of such securities on terms or at a price acceptable to the Manager or Sub-Advisor on a timely basis. In accordance with Canadian Securities Legislation, there are restrictions on the amount of illiquid securities that the Evolve Fund is permitted to hold.

Lack of Operating History

The Evolve Fund is a newly organized investment trust with no operating history. Although the Evolve Fund may be listed on the Designated Exchange, there is no assurance that an active public market for the Units will develop or be sustained.

Large-Capitalization Issuer Risk

The Evolve Fund may invest a relatively large percentage of its assets in the securities of large-capitalization companies. As a result, the performance of the Evolve Fund may be adversely affected if securities of large-capitalization companies underperform securities of smaller-capitalization companies or the market as a whole. The securities of large-capitalization companies may be relatively mature compared to smaller companies and therefore subject to slower growth during times of economic expansion.

Limited Information Regarding Private Issuers

The portfolio of the Evolve Fund may consist of securities issued by privately held issuers. There is generally little or no publicly available information about such issuers and the Evolve Fund must rely on the diligence of the Manager or the Sub-Advisor to obtain the information necessary for the Evolve Fund's decision to invest in them. There can be no assurance that the diligence efforts of the Manager or the Sub-Advisor will uncover all material information about the privately held business necessary for the Evolve Fund to make a fully informed investment decision.

Mortgage Defaults and Leverage Risks

Issuers whose securities are included in the portfolio of the Evolve Fund and which invest in mortgages are subject to the risk that the borrowers under such mortgages may default. If any such borrowers default under any such mortgage, the issuer would have the right to exercise its mortgage enforcement remedies. Exercising mortgage enforcement remedies is a process that requires a significant amount of time to complete, which could adversely impact the cash flows of the issuer during the period of enforcement. In addition, as a result of potential declines in real estate values, there is no assurance that the issuer would be able to recover all or substantially all of the outstanding principal and interest owed to it by exercising its mortgage enforcement remedies. Should any such issuer be unable to recover all or substantially all of the principal and interest owed to it in respect of any such mortgage, the returns, financial condition and results of operations of the issuer would be adversely impacted and the NAV may be negatively impacted.

In addition, the issuers whose securities are included in the portfolio of the Evolve Fund may from time to time incur mortgage debt over their properties, and may also employ leverage for various purposes, resulting in the issuers being exposed to leverage risk. Leverage risk refers to the risk that leverage created from borrowing may impair an issuer's liquidity, cause it to liquidate positions at an unfavorable time, reduce distributions paid by the issuer and increase the volatility of the values of securities issued by the issuer. To the extent that an issuer uses significant leverage, it may incur substantial losses if its borrowing costs increase or it may be adversely affected if credit is not available due to global economic conditions or other factors. During periods of adverse market conditions, the use of leverage may cause an issuer to lose more money than would have been the case if a mortgage or leverage was not utilized. If an issuer defaults under a mortgage and/or other credit or borrowing facility, the assets of the issuer pledged as security to the lender may be subject to foreclosure or realization by the lender. Accordingly, the value of the issuer's securities may decrease or possibly become worthless, and the returns, financial condition and results of operations of the issuer could be adversely impacted or impaired, thereby negatively impacting the NAV.

Risks Relating to Real Estate

The Evolve Fund is invested primarily in the securities of issuers active in the real estate sector. The assets, earnings and securities values of the issuers involved in the real estate sector are influenced by a number of different factors including economic cycles, inflation, the cost of capital available to real estate issuers, the level of short and long-term interest rates, the timing of increases in supply, consumer confidence, investor confidence in competing asset classes,

demographic trends, the policies of various levels of governments and the economic well-being of industries such as retail and tourism.

Real estate issuers generally are subject to certain risks related to their direct ownership of real estate. Real property investments are affected by general economic conditions, local real estate markets, supply and demand for leased premises, competition for other available premises and various other factors. The value of real property and any improvements thereto may also depend on the credit and financial stability of the tenants and upon the vacancy rates of the underlying property portfolio.

There are certain types of risks relating to the ownership of real estate, generally of a catastrophic nature, such as wars, terrorism or environmental contamination, which may be either uninsurable or not insurable on an economically viable basis. In addition, environmental laws may render a real estate issuer liable for the costs of removal of certain hazardous substances and the remediation of certain hazardous locations.

Real estate ownership may also require certain significant expenditures, including property taxes, maintenance costs, mortgage payments, insurance costs and related charges regardless of whether property is producing income.

Some underlying issuers may be involved from time to time in various development, redevelopment and refurbishment projects. An issuer's obligations for properties under construction, or which are to be constructed, are subject to certain construction risks including the insolvency of the developer, unforeseeable delays and cost overruns.

Sector Risk

Because the portfolio securities of the Evolve Fund may be heavily concentrated in one specific sector or industry of the economy, the trading price of the Evolve Fund is expected to be more volatile than that of a fund with a more broadly diversified portfolio.

Specialization Risk

The Evolve Fund may specialize in investing in a particular industry or part of the world. Specialization lets the Evolve Fund focus on specific industries or geographic areas, which can boost returns if the industry or geographic area, and the companies selected, prosper. But if the industry or geographic area has a slump, the Evolve Fund may suffer, because there are relatively few other investments to offset the downturn. The Evolve Fund must follow its investment objective and continue to invest in securities in the industry or geographic area, whether it is growing or not. Additionally, if a specific investment approach used by the Evolve Fund, such as value or growth, is out of favour, the Evolve Fund could suffer if it is obliged to confine its investments to the specific investment approach.

Underlying Funds Risk

The Evolve Fund may invest in exchange traded funds that seek to provide returns similar to the performance of a particular market index or industry sector index. Any such exchange traded fund may not achieve the same return as its benchmark market or industry sector index due to differences in the actual weightings of securities held in the fund versus the weightings in the relevant index and due to the operating and administrative expenses of the fund.

The securities of underlying funds in which the Evolve Fund invests, whether directly or indirectly, may trade below, at or above their respective NAVs per security. The NAV per security will fluctuate with changes in the market value of that investment fund's holdings. The trading prices of the securities of those investment funds will fluctuate in accordance with changes in the applicable fund's NAV per security, as well as market supply and demand on the stock exchanges on which those funds are listed.

If the Evolve Fund purchases a security of an underlying investment fund at a time when the market price of that security is at a premium to the NAV per security or sells a security at a time when the market price of that security is at a discount to the NAV per security, the Evolve Fund may sustain a loss.

Use of Options Risk

The Evolve Fund is subject to the full risk of its investment position in the securities comprising its portfolio, including those securities that are subject to outstanding call options, should the market price of such securities decline. In addition, the Evolve Fund will not participate in any gain on securities that are subject to outstanding call options above the strike price of such options.

The use of derivative instruments involves risks different from and possibly greater than the risks associated with investing directly in such securities and other traditional investments. Derivatives are subject to a number of risks,

such as liquidity risk, interest rate risk, market risk, credit risk, leveraging risk, counterparty risk and trading execution risk. Derivatives also involve the risk of mispricing or improper valuation and the risk that changes in the value of a derivative may not correlate perfectly with the underlying asset, rate or index.

There is no assurance that a liquid exchange will exist to permit the Evolve Fund to write covered call options on desired terms or to close out option positions should the Sub-Advisor desire to do so. The ability of the Evolve Fund to close out its positions may also be affected by exchange imposed daily trading limits on options. If the Evolve Fund is unable to repurchase a call option which is “in-the-money”, it will be unable to realize its profits or limit its losses until such time as the option becomes exercisable or expires.

In purchasing call options or entering into forward contracts, as applicable, the Evolve Fund is subject to the credit risk that its counterparty (a clearing corporation, in the case of exchange traded instruments) may be unable to meet its obligations. In addition, there is risk of loss by the Evolve Fund of margin deposits in the event of the bankruptcy of the dealer with whom the Evolve Fund has an open position in an option. The ability of the Evolve Fund to close out its positions may also be affected by exchange imposed daily trading limits on options and futures contracts. If the Evolve Fund is unable to close out a position, it will be unable to realize its profit or limit its losses until such time as the option becomes exercisable or expires. The inability to close out options, futures and forward positions could also have an adverse impact on the Evolve Fund’s ability to use derivatives instruments to effectively hedge its portfolio or implement its investment strategies.

The use of options may have the effect of limiting or reducing the total returns of the Evolve Fund. In addition, the income associated with writing covered call options may be outweighed by the foregone opportunity of remaining invested directly in the securities comprising the portfolio. In such an event, the Evolve Fund would have to increase the percentage of its portfolio that is subject to covered call options in order to meet its targeted distributions.

Suitability

This section describes the type of investment portfolio or investor the Evolve Fund may be suitable for. This is meant as a general guide only. For advice about individual circumstances, Unitholders and investors are encouraged to consult their financial advisor.

The Evolve Fund is for investors:

- seeking exposure to issuers involved in the real estate sector;
- that are willing to accept a medium degree of risk; and
- that want a steady source of income and capital appreciation from their investment.

Risk Rating of the Evolve Fund

The investment risk level of the Evolve Fund is required to be determined in accordance with a standardized risk classification methodology that is based on the historical volatility of the Evolve Fund, as measured by the 10-year standard deviation of the returns of the Evolve Fund. As the Evolve Fund does not have at least 10 years of performance history, the Manager calculates the investment risk level of the Evolve Fund using a reference index that reasonably approximates the standard deviation of the Evolve Fund for the remainder of the 10-year period. Once the Evolve Fund has 10 years of performance history, the methodology will calculate the standard deviation of the Evolve Fund using the return history of the Evolve Fund rather than that of the reference index. The Evolve Fund is assigned an investment risk rating in one of the following categories: low, low to medium, medium, medium to high or high risk. There may be times when the classification methodology produces a result that the Manager believes is inappropriate in which case the Manager may re-classify the Evolve Fund to a higher risk level, if appropriate.

The reference index for the Evolve Fund is the FTSE EPRA/NAREIT Developed Index. The FTSE EPRA/NAREIT Developed Index is designed to track the performance of listed real estate companies and real estate investment trusts worldwide. The index series is calculated in accordance with the Industry Classification Benchmark (ICB), a global standard developed in partnership between FTSE Group and Dow Jones Indexes.

Unitholders should know that other types of risks, both measurable and non-measurable, exist. Also, just as historical performance may not be indicative of future returns, historical volatility may not be indicative of future volatility. The risk rating of the Evolve Fund is reviewed annually and any time it is no longer reasonable in the circumstances. A more detailed explanation of the risk classification methodology used to identify the risk rating of the Evolve Fund is

available on request, at no cost, by calling toll-free 1-844-370-4884 or by writing to Evolve Funds Group Inc., Scotia Plaza, 40 King Street West, Suite 3404, Toronto, ON M5H 3Y2.

DISTRIBUTION POLICY

Cash distributions of income, if any, on Units will be payable monthly.

Depending on the underlying investments of the Evolve Fund, distributions on Units may consist of ordinary income, including foreign source income, sourced from foreign dividends, distributions or interest received by the Evolve Fund and dividends from taxable Canadian corporations but may also include net realized capital gains, in any case, less the expenses of the Evolve Fund and may include returns of capital. To the extent that the expenses of the Evolve Fund exceed the income generated by such Evolve Fund in any applicable distribution period, it is not expected that a distribution for that period will be paid. Management Fee Distributions, if any, will be paid first out of the net income, then out of capital gains of the Evolve Fund and thereafter out of capital. The tax consequences of a Management Fee Distribution will generally be borne by the Unitholder who receives the distribution.

If, for any taxation year, after the ordinary distributions, if any, there would remain in the Evolve Fund additional net income or net realized capital gains, the Evolve Fund will, after December 15 but on or before December 31 of that calendar year, be required to pay or make payable such net income and net realized capital gains as one or more special year-end distributions to Unitholders as is necessary to ensure that the Evolve Fund will not be liable for income tax on such amounts under Part I of the Tax Act (after taking into account all available deductions, credits and refunds). Such special distributions may be paid in the form of Units of the applicable class of the Evolve Fund and/or cash. Any special distributions payable in Units of a class of the Evolve Fund will increase the aggregate adjusted cost base of a Unitholder's Units of such class. Immediately following payment of such a special distribution in Units of a class, the number of Units of such class held by a Unitholder will be automatically consolidated such that the number of Units of such class held by the Unitholder after such distribution will be equal to the number of Units of such class held by such Unitholder immediately prior to such distribution, except in the case of a non-resident Unitholder to the extent tax is required to be withheld in respect of the distribution.

The tax treatment to Unitholders of distributions is discussed under the heading "Income Tax Considerations".

Optional Distribution Reinvestment Plan for Units

The Manager may adopt a distribution reinvestment plan in respect of the Evolve Fund under which cash distributions are used to purchase additional Units and are credited to the participating Unitholder in accordance with the terms of such plan (a copy of which would be available through the Unitholder's broker or dealer). The following are the key terms of such a distribution reinvestment plan:

- Participation in a distribution reinvestment plan will be restricted to Unitholders who are residents of Canada for the purposes of the Tax Act or "Canadian partnerships" as defined in the Tax Act. Immediately upon becoming a non-resident of Canada or ceasing to be a Canadian partnership, a participating Unitholder will be required to notify his, her or its CDS Participant and terminate participation in the distribution reinvestment plan.
- A Unitholder who wishes to enrol in the distribution reinvestment plan as of a particular Distribution Record Date should notify his, her or its CDS Participant sufficiently in advance of that Distribution Record Date to allow the CDS Participant to notify CDS by 4:00 p.m. (Toronto time) on that Distribution Record Date.
- Distributions that participating Unitholders are due to receive will be used to purchase Units on behalf of such Unitholder in the market.
- No fractional Units will be delivered under a distribution reinvestment plan. Payment in cash for any remaining uninvested funds may be made in lieu of delivering fractional Units by the plan agent to CDS or a CDS Participant, on a monthly or quarterly basis, as the case may be. Where applicable, CDS will, in turn, credit the participating Unitholder, via the applicable CDS Participant.

The automatic reinvestment of distributions under the distribution reinvestment plan does not relieve participating Unitholders of any income tax applicable to the distributions.

The tax treatment to Unitholders of reinvested distributions is discussed under the heading "Income Tax Considerations".

Participating Unitholders will be able to terminate their participation in the distribution reinvestment plan as of a particular Distribution Record Date by notifying their CDS Participant by the prescribed cut-off time prior to the applicable Distribution Record Date. Beginning on the first distribution payment date after such notice is delivered, distributions to such Unitholders will be in cash. The form of termination notice will be available from CDS Participants and any expenses associated with the preparation and delivery of such termination notice will be for the account of the participating Unitholder exercising its rights to terminate participation in the distribution reinvestment plan. The Manager will be permitted to terminate the distribution reinvestment plan, in its sole discretion, upon not less than 30 days' notice to participating Unitholders and the plan agent, subject to any required regulatory approval.

The Manager is permitted to amend, modify or suspend the distribution reinvestment plan, or add additional features including authorizing pre-authorized cash contributions or systematic withdrawals, at any time, in its sole discretion, provided that it complies with certain requirements, and gives notice of such amendment, modification or suspension to the participating Unitholders and the plan agent, subject to any required regulatory approval, which notice may be given by issuing a press release containing a summary description of the amendment or in any other manner that the Manager determines to be appropriate.

The Manager may from time to time adopt rules and regulations to facilitate the administration of the distribution reinvestment plan. The Manager reserves the right to regulate and interpret the distribution reinvestment plan as it deems necessary or desirable to ensure the efficient and equitable operation of the distribution reinvestment plan.

PURCHASES OF UNITS

Initial Investment in the Evolve Fund

The Evolve Fund will not issue Units to the public until subscriptions aggregating not less than \$500,000 have been received and accepted by the Evolve Fund from investors other than persons or companies related to the Manager or its affiliates.

Continuous Distribution

Units are being issued and sold on a continuous basis and there is no maximum number of Units that may be issued.

Designated Broker for Units

All orders to purchase Units directly from the Evolve Fund must be placed by the Designated Broker or Dealers. The Evolve Fund reserves the absolute right to reject any subscription order placed by the Designated Broker and/or a Dealer. No fees will be payable by the Evolve Fund to the Designated Broker or a Dealer in connection with the issuance of Units. On the issuance of Units, the Manager may, at its discretion, charge an administrative fee to a Dealer or the Designated Broker to offset any expenses (including any applicable TSX additional listing fees) incurred in issuing the Units.

On any Trading Day, the Designated Broker or a Dealer may place a subscription order for the PNU or integral multiple PNU of the Evolve Fund. If a subscription order is received by the Evolve Fund at or before the applicable cut-off time, or such other time prior to the Valuation Time on such Trading Day as the Manager may permit, and is accepted by the Manager, the Evolve Fund will generally issue to the Dealer or Designated Broker the PNU (or an integral multiple thereof) within two Trading Days (or such later date as may be permitted) from the effective date of the subscription order. The Evolve Fund must receive payment for the Units subscribed for within two Trading Days (or such later date as may be permitted) from the effective date of the subscription order. The effective date of a subscription order is the Trading Day on which the Valuation Time that applies to such subscription order takes place.

Unless the Manager shall otherwise agree or the Declaration of Trust shall otherwise provide, as payment for a PNU of the Evolve Fund, a Dealer or the Designated Broker must deliver subscription proceeds consisting of a Basket of Securities and cash in an amount sufficient so that the value of the Basket of Securities and cash delivered is equal to the NAV of the applicable PNU of the Evolve Fund determined at the Valuation Time on the effective date of the subscription order. The Manager may, in its complete discretion, instead accept subscription proceeds consisting of (i) cash only in an amount equal to the NAV of the applicable PNU of the Evolve Fund determined at the Valuation Time on the effective date of the subscription order, plus (ii) if applicable, associated costs and expenses that the Evolve Fund incurs or expects to incur in purchasing securities on the market with such cash proceeds.

The Manager may from time to time and, in any event not more than once quarterly, require the Designated Broker to subscribe for Units of the Evolve Fund for cash in a dollar amount not to exceed 0.30% of the NAV of the Evolve

Fund, or such other amount as may be agreed to by the Manager and the Designated Broker. The number of Units issued will be the subscription amount divided by the NAV per Unit next determined following the delivery by the Manager of a subscription notice to the Designated Broker. Payment for the Units must be made by the Designated Broker by no later than the second Trading Day after the subscription notice has been delivered.

The Manager will, except when circumstances prevent it from doing so, disclose the number of Units comprising a PNU for the Evolve Fund to applicable investors, the Designated Broker and Dealers following the close of business on each Trading Day. The Manager may, at its discretion, increase or decrease the applicable PNU from time to time.

To Unitholders of the Evolve Fund as Distributions Paid in Units

In addition to the issuance of Units as described above, distributions may be made by way of the issuance of Units. See “Distribution Policy”.

Buying and Selling Units of the Evolve Fund

The Units of the Evolve Fund have been conditionally approved for listing on the Designated Exchange. Listing is subject to the approval of the Designated Exchange in accordance with its original listing requirements. Subject to satisfying the Designated Exchange’s original listing requirements, the Units will be listed on the Designated Exchange and investors will be able to buy or sell such Units on the Designated Exchange through registered brokers and dealers in the province or territory where the investor resides.

Investors may incur customary brokerage commissions in buying or selling Units. No fees are paid by investors to the Manager or the Evolve Fund in connection with buying or selling of Units on the Designated Exchange.

Special Considerations for Unitholders

The provisions of the so-called “early warning” requirements set out in Canadian Securities Legislation do not apply in connection with the acquisition of Units. In addition, the Evolve Fund has obtained exemptive relief from the Securities Regulatory Authorities to permit Unitholders to acquire more than 20% of the Units through purchases on the Designated Exchange, without regard to the take-over bid requirements of Canadian Securities Legislation.

Special Circumstances

Units may also be issued by the Evolve Fund to the Designated Broker in a number of special circumstances, including when cash redemptions of Units occur as described below under “Exchange and Redemption of Units – Redemption of Units of the Evolve Fund for Cash”, or the Evolve Fund otherwise has cash that the Manager wants to invest..

EXCHANGE AND REDEMPTION OF UNITS

Exchange of Units of the Evolve Fund at NAV per Unit for Baskets of Securities and/or Cash

Unitholders may exchange the applicable PNU (or an integral multiple thereof) of the Evolve Fund on any Trading Day for Baskets of Securities and cash, subject to the requirement that a minimum PNU be exchanged. To effect an exchange of Units, a Unitholder must submit an exchange request in the form and at the location prescribed by the Evolve Fund from time to time at or before the applicable cut-off time on a Trading Day, or such other time prior to the Valuation Time on such Trading Day as the Manager may permit. The exchange price will be equal to the NAV of each PNU tendered for exchange determined at the Valuation Time on the effective date of the exchange request, payable by delivery of a Basket of Securities (constituted as most recently published prior to the effective date of the exchange request) and cash. The Units will be redeemed in the exchange. The Manager will also make available to Dealers and the Designated Broker the applicable PNU to redeem Units on each Trading Day. The effective date of an exchange request is the Trading Day on which the Valuation Time that applies to such redemption request takes place.

Upon the request of a Unitholder, the Manager may, in its complete discretion, satisfy an exchange request by delivering cash only in an amount equal to the NAV of each PNU tendered for exchange determined at the Valuation Time on the effective date of the exchange request, provided that the Unitholder agrees to pay the costs and expenses that the Evolve Fund incurs or expect to incur in selling securities on the market to obtain the necessary cash for exchange.

If an exchange request is not received by the applicable cut-off time, the exchange order will be effective only on the next Trading Day. Settlement of exchanges for Baskets of Securities and/or cash will generally be made by the second Trading Day after the effective day of the exchange request.

If portfolio securities or other securities in which the Evolve Fund has invested are cease-traded at any time by order of a Securities Regulatory Authority or other relevant regulator or stock exchange, the delivery of Baskets of Securities to a Unitholder, Dealer or the Designated Broker on an exchange in the PNU may be postponed until such time as the transfer of the Baskets of Securities is permitted by law.

As described under “Book-Entry Only System”, registration of interests in, and transfers of, Units will be made only through the book-entry only system of CDS. The redemption rights described below must be exercised through the CDS Participant through which the owner holds Units. Beneficial owners of Units should ensure that they provide redemption instructions to the CDS Participant through which they hold such Units sufficiently in advance of the cut-off times described below to allow such CDS Participant to notify CDS and for CDS to notify the Manager prior to the relevant cut-off time.

Redemption of Units of the Evolve Fund for Cash

On any Trading Day, Unitholders of the Evolve Fund may redeem (i) Units for cash at a redemption price per Unit equal to 95% of the closing price for the Units on the Designated Exchange, on the effective day of the redemption, subject to a maximum redemption price per Unit equal to the NAV per Unit on the effective day of redemption, less any applicable administrative fee determined by the Manager, in its sole discretion, from time to time, or (ii) a PNU of the Evolve Fund or an integral multiple PNU of the Evolve Fund for cash equal to the NAV of that number of Units, less any applicable administrative fee determined by the Manager, in its sole discretion, from time to time. Because Unitholders will generally be able to sell Units at the market price on the Designated Exchange through a registered broker or dealer subject only to customary brokerage commissions, Unitholders are advised to consult their brokers, dealers or investment advisors before redeeming such Units for cash. No fees or expenses are paid by Unitholders to the Manager or any Evolve Fund in connection with selling Units on the Designated Exchange.

In order for a cash redemption to be effective on a Trading Day, a cash redemption request with respect to the Evolve Fund must be delivered to the Manager in the form and at the location prescribed by the Manager from time to time at or before the applicable cut-off time on such Trading Day. Any cash redemption request received after such time will be effective only on the next Trading Day. Where possible, payment of the redemption price will be made by no later than the second Trading Day after the effective day of the redemption. The cash redemption request forms may be obtained from any registered broker or Dealer.

Unitholders that have delivered a redemption request prior to the Distribution Record Date for any distribution will not be entitled to receive that distribution.

In connection with the redemption of Units of the Evolve Fund, the Evolve Fund will generally dispose of securities or other financial instruments.

Suspension of Exchanges and Redemptions

The Manager may suspend the exchange or redemption of Units or payment of redemption proceeds of the Evolve Fund: (i) during any period when normal trading is suspended on a stock exchange or other market on which securities owned by the Evolve Fund are listed and traded, if these securities represent more than 50% by value or underlying market exposure of the total assets of the Evolve Fund, without allowance for liabilities, and if these securities are not traded on any other exchange that represents a reasonably practical alternative for the Evolve Fund; or (ii) with the prior permission of the Securities Regulatory Authorities where required, for any period not exceeding 30 days during which the Manager determines that conditions exist which render impractical the sale of assets of the Evolve Fund or which impair the ability of the Custodian to determine the value of the assets of the Evolve Fund. The suspension may apply to all requests for exchange or redemption received prior to the suspension but as to which payment has not been made, as well as to all requests received while the suspension is in effect. All Unitholders making such requests shall be advised by the Manager of the suspension and that the exchange or redemption will be effected at a price determined on the first Valuation Date following the termination of the suspension. All such Unitholders shall have and shall be advised that they have the right to withdraw their requests for exchange or redemption. The suspension shall terminate in any event on the first day on which the condition giving rise to the suspension has ceased to exist, provided that no other condition under which a suspension is authorized then exists. To the extent not

inconsistent with official rules and regulations promulgated by any government body having jurisdiction over the Evolve Fund, any declaration of suspension made by the Manager shall be conclusive.

Other Charges

An amount as may be agreed to between the Manager and the Designated Broker or a Dealer of Units may be charged to offset certain transaction costs associated with an issue, exchange or redemption of Units. This charge does not apply to Unitholders who buy and sell their Units through the facilities of the Designated Exchange.

Allocations of Capital Gains to Redeeming or Exchanging Unitholders

Pursuant to the Declaration of Trust, the Evolve Fund may allocate and designate as payable any capital gains realized by the Evolve Fund as a result of any disposition of property of the Evolve Fund undertaken to permit or facilitate the redemption or exchange of Units to a Unitholder whose Units are being redeemed or exchanged. In addition, the Evolve Fund has the authority to distribute, allocate and designate any capital gains of the Evolve Fund to a Unitholder of the Evolve Fund who has redeemed or exchanged Units of the Evolve Fund during a year in an amount equal to the Unitholder's share, at the time of redemption or exchange, of the Evolve Fund's capital gains for the year. Any such allocations and designations will reduce the redemption price otherwise payable to the redeeming or exchanging Unitholder.

Based on recent amendments to the Tax Act, a taxable capital gain in respect of an amount so allocated and designated to a redeeming or exchanging Unitholder would only be deductible to the Evolve Fund to the extent of half of the amount of the gain that would otherwise be realized by the Unitholder on the redemption or exchange of Units. However, under recent Tax Amendments that are intended to better facilitate allocations of capital gains to redeeming or exchanging Unitholders of exchange-traded funds such as the Evolve Fund (together with the above noted recent amendments, the "**ATR Rule**"), amounts of taxable capital gains so allocated and designated to redeeming or exchanging Unitholders are proposed to be deductible to the Evolve Fund to the extent of the redeeming or exchanging Unitholders' pro rata share (as determined under the ATR Rule) of the net taxable capital gains of the Evolve Fund for the year.

Any taxable capital gains that are not deductible by the Evolve Fund under the ATR Rule may be made payable to non-redeeming or exchanging Unitholders of the Evolve Fund so that the Evolve Fund will not be liable for non-refundable income tax thereon. Accordingly, the amounts and taxable component of distributions to non-redeeming or exchanging Unitholders of the Evolve Fund may be greater than would have been the case in the absence of the ATR Rule.

Book-Entry Only System

Registration of interests in, and transfers of, Units will be made only through the book-entry only system of CDS. Units must be purchased, transferred and surrendered for redemption only through a CDS Participant. All rights of an owner of Units must be exercised through, and all payments or other property to which such owner is entitled will be made or delivered by, CDS or the CDS Participant through which the owner holds such Units. Upon buying Units, the owner will receive only the customary confirmation. References in this prospectus to a holder of Units means, unless the context otherwise requires, the owner of the beneficial interest of such Units.

Neither the Evolve Fund nor the Manager will have any liability for: (i) records maintained by CDS relating to the beneficial interests in Units or the book entry accounts maintained by CDS; (ii) maintaining, supervising or reviewing any records relating to such beneficial ownership interests; or (iii) any advice or representation made or given by CDS and made or given with respect to the rules and regulations of CDS or any action taken by CDS or at the direction of the CDS Participants.

The ability of a beneficial owner of Units to pledge such Units or otherwise take action with respect to such owner's interest in such Units (other than through a CDS Participant) may be limited due to the lack of a physical certificate.

The Evolve Fund has the option to terminate registration of Units through the book-entry only system in which case certificates for Units in fully registered form will be issued to beneficial owners of such Units or to their nominees.

Short-term Trading

The Manager does not believe that it is necessary to impose any short-term trading restrictions on the Units at this time as: (i) the Units are generally traded by investors on an exchange in the secondary market in the same way as listed securities; and (ii) the few transactions involving Units that do not occur on the secondary market involve the

Designated Broker and/or Dealers, who can only purchase or redeem Units in a PNU and on whom the Manager may impose an administrative fee. The administrative fee is intended to compensate the Evolve Fund for any costs and expenses incurred by the Evolve Fund in order to fund the redemption of Units.

PRIOR SALES

The Trading price and volume information is not yet available because the Evolve Fund is new.

INCOME TAX CONSIDERATIONS

The following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations under the Tax Act generally applicable to the acquisition, holding and disposition of Units by a Unitholder who acquires Units pursuant to this prospectus. This summary only applies to a prospective Unitholder who is an individual (other than a trust) resident in Canada for purposes of the Tax Act who deals at arm's length with the Evolve Fund, the Designated Broker and the Dealers and is not affiliated with the Evolve Fund, the Designated Broker or any Dealer and who holds Units as capital property (a "**Holder**").

Generally, Units will be considered to be capital property to a Holder provided that the Holder does not hold such Units in the course of carrying on a business of buying and selling securities and has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade. Provided that the Evolve Fund qualifies as a "mutual fund trust" for purposes of the Tax Act, certain Holders who might not otherwise be considered to hold Units as capital property may, in certain circumstances, be entitled to have such Units and all other "Canadian securities" owned or subsequently acquired by them treated as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act. This summary does not apply to a Holder who has entered or will enter into a "derivative forward agreement" as that term is defined in the Tax Act with respect to the Units.

This summary is based on the assumptions that (i) the Evolve Fund will not be subject to the tax for "SIFT trusts" for purposes of the Tax Act, (ii) none of the issuers of the securities in the portfolio of the Evolve Fund will be foreign affiliates of the Evolve Fund or of any Holder, (iii) none of the securities in the portfolio of the Evolve Fund will be a "tax shelter investment" within the meaning of section 143.2 of the Tax Act, (iv) the Evolve Fund will not enter into any arrangement where the result is a dividend rental arrangement for purposes of the Tax Act and (v) none of the securities in the portfolio of the Evolve Fund will be an offshore investment fund property (or an interest in a partnership that holds such property) that would require the Evolve Fund (or the partnership) to include significant amounts in the Evolve Fund's (or the partnership's) income pursuant to section 94.1 of the Tax Act, or an interest in a trust (or a partnership which holds such an interest) which would require the Evolve Fund (or the partnership) to report significant amounts of income in connection with such interest pursuant to the rules in section 94.2 of the Tax Act, or an interest in a non-resident trust other than an "exempt foreign trust" (or a partnership which holds such interest).

This summary also assumes that the Evolve Fund will comply with its investment restrictions.

This summary is based on the facts described herein, the current provisions of the Tax Act, and an understanding of the current publicly available administrative policies and assessing practices of the CRA published in writing prior to the date hereof. This summary takes into account the Tax Amendments. This description is not exhaustive of all Canadian federal income tax consequences and does not take into account or anticipate changes in the law or in administrative policy or assessing practice, whether by legislative, governmental or judicial action other than the Tax Amendments in their present form, nor does it take into account provincial, territorial or foreign tax considerations which may differ significantly from those discussed herein. There can be no assurance that the Tax Amendments will be enacted in the form publicly announced, or at all.

This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to an investment in Units. This summary does not address the deductibility of interest on any funds borrowed by a Holder to purchase Units. The income and other tax consequences of investing in Units will vary depending on an investor's particular circumstances including the province or territory in which the investor resides or carries on business. Accordingly, this summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any holder of Units. Prospective investors should consult their own tax advisors with respect to the income tax consequences to them of an acquisition of Units based on their particular circumstances.

Status of the Evolve Fund

This summary assumes that the Evolve Fund will qualify or be deemed to qualify at all times as a “mutual fund trust” within the meaning of the Tax Act.

To qualify as a mutual fund trust (i) the Evolve Fund must be a Canadian resident “unit trust” for purposes of the Tax Act, (ii) the only undertaking of the Evolve Fund must be (a) the investing of its funds in property (other than real property or interests in real property or an immovable or a real right in an immovable), (b) the acquiring, holding, maintaining, improving, leasing or managing of any real property (or interest in real property) or of any immovable (or real right in immovables) that is capital property of the Evolve Fund, or (c) any combination of the activities described in (a) and (b), and (iii) the Evolve Fund must comply with certain minimum requirements respecting the ownership and dispersal of a particular class of Units (the “**Minimum Distribution Requirements**”). In addition, in order to qualify as a mutual fund trust, the Evolve Fund cannot at any time reasonably be considered to have been established and/or maintained primarily for the benefit of non-residents unless, at that time, substantially all of its property consists of property other than property that would be “taxable Canadian property” within the meaning of the Tax Act (if the definition of such term were read without reference to paragraph (b) of that definition).

In this connection, (i) the Manager intends to cause the Evolve Fund to qualify as a unit trust throughout the life of the Evolve Fund, (ii) the Evolve Fund’s undertaking conforms with the restrictions for mutual fund trusts, and (iii) the Manager intends to file the necessary election so that the Evolve Fund will qualify as a mutual fund trust from its inception, and the Manager has no reason to believe that the Evolve Fund will not comply with the Minimum Distribution Requirements before the 91st day after the end of its first taxation year (determined without regard to any taxation year-end that may be deemed to occur for other purposes under the rules in the Tax Act relating to “loss restriction events”) and at all times thereafter, thereby permitting the filing by the Evolve Fund of such election.

If the Evolve Fund were not to qualify or be deemed to qualify as a mutual fund trust at all times, the income tax considerations described below would, in some respects, be materially and adversely different than would be the case if it were a mutual fund trust.

Provided that the Evolve Fund qualifies as a “mutual fund trust” within the meaning of the Tax Act, or the Units are listed on a “designated stock exchange” within the meaning of the Tax Act (which currently includes the Designated Exchange), Units will be qualified investments under the Tax Act for a trust governed by an RRSP, a RRIF, a DPSP, an RDSP, an RESP or a TFSA (“**Plans**”). If the FHSA Amendments are enacted as proposed, the Units of the Evolve Fund will be qualified investments under the Tax Act for a trust governed by an FHSA provided the conditions discussed above in relation to Plans are satisfied. See “Income Tax Considerations – Taxation of Registered Plans” for the consequences of holding Units in Plans.

Taxation of the Evolve Fund

The Evolve Fund will elect to have a taxation year that ends on December 15 of each calendar year. The Evolve Fund must pay tax on its net income (including net realized taxable capital gains) for a taxation year, less the portion thereof that it deducts in respect of the amount paid or payable to its Unitholders in the calendar year in which the taxation year ends. An amount will be considered to be payable to a Unitholder in a calendar year if it is paid to the Unitholder in that year by the Evolve Fund or if the Unitholder is entitled in that year to enforce payment of the amount. The Declaration of Trust requires that sufficient amounts be paid or made payable each year so that the Evolve Fund is not liable for any non-refundable income tax under Part I of the Tax Act.

The Evolve Fund will be required to include in its income for each taxation year any dividends received (or deemed to be received) by it in such year on a security held in its portfolio.

With respect to indebtedness, the Evolve Fund will be required to include in its income for a taxation year all interest thereon that accrues (or is deemed to accrue) to it to the end of that year (or until the disposition of the indebtedness in that year, including on a conversion, redemption or repayment on maturity) or that has become receivable or is received by the Evolve Fund before the end of that year except to the extent that such interest was included in computing the Evolve Fund’s income for a preceding year and excluding any interest that accrued prior to the time of the acquisition of the indebtedness by the Evolve Fund.

Premiums received on covered call options written by the Evolve Fund which are not exercised prior to the end of the taxation year will constitute capital gains of the Evolve Fund in the taxation year received, unless such premiums are received by the Evolve Fund as income from a business or the Evolve Fund has engaged in a transaction or transactions

considered to be an adventure or concern in the nature of trade. The Evolve Fund purchases the securities in its portfolio with the objective of receiving dividends, other distributions and interest thereon over the life of the Evolve Fund and writes covered call options with the objective of increasing the yield on the portfolio beyond the dividends, other distributions and interest received. Having regard to the foregoing, and in accordance with the CRA's published administrative policies, transactions undertaken by the Evolve Fund in respect of options on the securities in its portfolio written as described under "Investment Strategies – Covered Option Writing" will be on capital account and the Evolve Fund will report such transactions on capital account.

Premiums received by the Evolve Fund on covered call options which are subsequently exercised are added in computing the proceeds of disposition to the Evolve Fund of the securities disposed of by the Evolve Fund upon the exercise of such call options. In addition, where a covered call option is exercised after the end of the taxation year in which it was granted and where this results in the Evolve Fund disposing of securities, the Evolve Fund's capital gain in the previous taxation year in respect of the receipt of the option premium will be reversed.

To the extent the Evolve Fund holds trust units issued by a trust resident in Canada that is not at any time in the relevant taxation year a "SIFT trust" and held as capital property for purposes of the Tax Act, the Evolve Fund will be required to include in the calculation of its income for a taxation year the net income, including net taxable capital gains, paid or payable to the Evolve Fund by such trust in the calendar year in which that taxation year ends, notwithstanding that certain of such amounts may be reinvested in additional units of the trust. Provided that appropriate designations are made by such trust, net taxable capital gains realized by the trust, foreign source income of the trust and taxable dividends from taxable Canadian corporations received by the trust that are paid or payable by the trust to the Evolve Fund will effectively retain their character in the hands of the Evolve Fund. The Evolve Fund will be required to reduce the adjusted cost base of units of such trust by any amount paid or payable by the trust to the Evolve Fund except to the extent that the amount was included in calculating the income of the Evolve Fund or was the Evolve Fund's share of the non-taxable portion of capital gains of the trust, the taxable portion of which was designated in respect of the Evolve Fund. If the adjusted cost base to the Evolve Fund of such units becomes a negative amount at any time in a taxation year of the Evolve Fund, that negative amount will be deemed to be a capital gain realized by the Evolve Fund in that taxation year and the Evolve Fund's adjusted cost base of such units will be increased by the amount of such deemed capital gain to zero.

Each issuer in the Evolve Fund's portfolio that is a "SIFT trust" (which will generally include Canadian resident income trusts, other than certain REITs, the units of which are listed or traded on a stock exchange or other public market) will be subject to a special tax in respect of (i) income from business carried on in Canada, and (ii) certain income and capital gains in respect of "non-portfolio properties" (collectively, "**Non-Portfolio Income**"). Non-Portfolio Income that is distributed by a SIFT trust to its unitholders will be taxed at a rate that is equivalent to the federal general corporate tax rate plus a prescribed amount on account of provincial tax. Non-Portfolio Income that becomes payable by an issuer that is a SIFT trust will generally be taxed as though it were a taxable dividend from a taxable Canadian corporation and will be deemed to be an "eligible dividend" eligible for the enhanced gross-up and tax credit rules.

In general, the Evolve Fund will realize a capital gain (or capital loss) upon the actual or deemed disposition of a security included in its portfolio to the extent the proceeds of disposition net of any amounts included as interest on the disposition of the security and any reasonable costs of disposition exceed (or are less than) the adjusted cost base of such security unless the Evolve Fund were considered to be trading or dealing in securities or otherwise carrying on a business of buying and selling securities or the Evolve Fund has acquired the security in a transaction or transactions considered to be an adventure or concern in the nature of trade. The Evolve Fund will purchase the securities in its portfolio with the objective of receiving dividends, other distributions and interest thereon and will take the position that gains and losses realized on the disposition of such securities are capital gains and capital losses. The Evolve Fund will make an election under subsection 39(4) of the Tax Act, if applicable, so that all securities held by the Evolve Fund that are "Canadian securities" (as defined in the Tax Act) will be deemed to be capital property to the Evolve Fund.

The Evolve Fund will be entitled for each taxation year throughout which it is a mutual fund trust for purposes of the Tax Act to reduce (or receive a refund in respect of) its liability, if any, for tax on its net realized capital gains by an amount determined under the Tax Act based on the redemptions of Units during the year (the "**Capital Gains Refund**"). The Capital Gains Refund in a particular taxation year may not completely offset the tax liability of the Evolve Fund for such taxation year which may arise upon the sale or other disposition of securities included in the portfolio in connection with the redemption of Units.

In general, gains and losses realized by the Evolve Fund from Derivative transactions will be on income account except where such Derivatives are used to hedge portfolio securities held on capital account provided there is sufficient linkage, subject to the DFA Rules discussed below, and such gains and losses will be recognized for tax purposes at the time they are realized by the Evolve Fund.

A loss realized by the Evolve Fund on a disposition of capital property will be a suspended loss for purposes of the Tax Act if the Evolve Fund, or a person affiliated with the Evolve Fund, acquires a property (a “**Substituted Property**”) that is the same as or identical to the property disposed of, within 30 days before and 30 days after the disposition and the Evolve Fund, or a person affiliated with the Evolve Fund, owns the Substituted Property 30 days after the original disposition. If a loss is suspended, the Evolve Fund cannot deduct the loss from the Evolve Fund’s capital gains until the Substituted Property is disposed of and is not reacquired by the Evolve Fund, or a person affiliated with the Evolve Fund, within 30 days before and after the disposition.

The Evolve Fund may enter into transactions denominated in currencies other than the Canadian dollar, including the acquisition of securities in its portfolio. The cost and proceeds of disposition of securities, dividends, distributions, interest and all other amounts will be determined for the purposes of the Tax Act in Canadian dollars using the appropriate exchange rates determined in accordance with the detailed rules in the Tax Act in that regard. The amount of income, gains and losses realized by the Evolve Fund may be affected by fluctuations in the value of other currencies relative to the Canadian dollar. Gains or losses in respect of currency hedges entered into in respect of amounts invested in the portfolio of the Evolve Fund will constitute capital gains and capital losses to the Evolve Fund if the securities in the Evolve Fund’s portfolio are capital property to the Evolve Fund and provided there is sufficient linkage.

The DFA Rules target certain financial arrangements (described in the DFA Rules as “derivative forward agreements”) that seek to deliver a return based on an “underlying interest” (other than certain excluded underlying interests) for purposes of the DFA Rules. The DFA Rules are broad in scope and could apply to other agreements or transactions (including certain option contracts). If the DFA Rules were to apply in respect of any Derivatives to be utilized by the Evolve Fund, gains realized in respect of the property underlying such Derivatives could be treated as ordinary income rather than capital gains. Provided a covered call option is written by the Evolve Fund in the manner described under “Investment Strategies – Covered Option Writing”, the writing of such call option will generally not be subject to the DFA Rules.

The Evolve Fund may derive income or gains from investments in countries other than Canada, and as a result, may be liable to pay income or profits tax to such countries. To the extent that such foreign tax paid by the Evolve Fund exceeds 15% of the amount included in the Evolve Fund’s income from such investments, such excess may generally be deducted by the Evolve Fund in computing its net income for the purposes of the Tax Act. To the extent that such foreign tax paid does not exceed 15% of the amount included in the Evolve Fund’s income from such investments and has not been deducted in computing the Evolve Fund’s income, the Evolve Fund may designate in respect of a Holder a portion of its foreign source income that can reasonably be considered to be part of the Evolve Fund’s income distributed to such Holder so that such income and a portion of the foreign tax paid by the Evolve Fund may be regarded as foreign source income of, and foreign tax paid by, the Holder for the purposes of the foreign tax credit provisions of the Tax Act.

The Evolve Fund will be entitled to deduct an amount equal to the reasonable expenses that it incurs in the course of issuing Units. Such issue expenses paid by the Evolve Fund and not reimbursed will be deductible by the Evolve Fund ratably over a five-year period subject to reduction in any taxation year which is less than 365 days. In computing its income under the Tax Act, the Evolve Fund may deduct reasonable administrative and other expenses incurred to earn income.

Losses incurred by the Evolve Fund in a taxation year cannot be allocated to Holders, but may be deducted by the Evolve Fund in future years in accordance with the Tax Act.

Taxation of Holders

A Holder will generally be required to include in computing income for a particular taxation year of the Holder such portion of the net income of the Evolve Fund, including the taxable portion of any net realized capital gains, as is paid or becomes payable to the Holder in that particular taxation year (whether in cash, in Units of the applicable class or reinvested in additional Units or whether as a Management Fee Distribution). Amounts paid or payable by the Evolve Fund to a Holder after December 15 and before the end of the calendar year are deemed to have been paid or become payable to the Holder on December 15.

Under the Tax Act, the Evolve Fund is permitted to deduct in computing its income for a taxation year an amount that is less than the amount of its distributions of income for the calendar year to the extent necessary to enable the Evolve Fund to use, in that taxation year, losses from prior years without affecting the ability of the Evolve Fund to distribute its income annually. In such circumstances, the amount distributed to a Holder of the Evolve Fund but not deducted by the Evolve Fund will not be included in the Holder's income. However, the adjusted cost base of the Holder's Units will be reduced by such amount. The non-taxable portion of the Evolve Fund's net realized capital gains for a taxation year, the taxable portion of which was designated in respect of a Holder for the taxation year, that is paid or becomes payable to the Holder for the year will not be included in computing the Holder's income for the year. Any other amount in excess of a Holder's share of the net income of the Evolve Fund for a taxation year that is paid or becomes payable to the Holder for the year (i.e. returns of capital) will not generally be included in the Holder's income for the year, but will reduce the adjusted cost base of the Holder's Units. To the extent that the adjusted cost base of a Unit to a Holder would otherwise be a negative amount, the negative amount will be deemed to be a capital gain and the adjusted cost base of the Unit to the Holder will be increased by the amount of such deemed capital gain to zero.

Provided that appropriate designations are made by the Evolve Fund, such portion of the net realized taxable capital gains of the Evolve Fund, the taxable dividends received or deemed to be received by the Evolve Fund on shares of taxable Canadian corporations and foreign source income of the Evolve Fund as is paid or becomes payable to a Holder will effectively retain its character and be treated as such in the hands of the Holder for purposes of the Tax Act. To the extent that amounts are designated as taxable dividends from taxable Canadian corporations, the gross-up and dividend tax credit rules will apply. Where the Evolve Fund makes designations in respect of its foreign source income, for the purpose of computing any foreign tax credit that may be available to a Holder, the Holder will generally be deemed to have paid as tax to the government of a foreign country that portion of taxes paid by the Evolve Fund to that country that is equal to the Holder's share of the Evolve Fund's income from sources in that country.

Any loss of the Evolve Fund for purposes of the Tax Act cannot be allocated to, and cannot be treated as a loss of, a Holder.

On the disposition or deemed disposition of a Unit, including on a redemption, a Holder will realize a capital gain (or capital loss) to the extent that the Holder's proceeds of disposition (other than any amount payable by the Evolve Fund which represents capital gains allocated and designated to the redeeming Holder), net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of the Unit. For the purpose of determining the adjusted cost base of a Holder's Units of a particular class, when additional Units of that class of the Evolve Fund are acquired by the Holder (as a result of a distribution by the Evolve Fund in the form of Units, a reinvestment in Units pursuant to the distribution reinvestment plan or otherwise), the cost of the newly acquired Units will be averaged with the adjusted cost base of all Units of the same class of the Evolve Fund owned by the Holder as capital property immediately before that time. For this purpose, the cost of Units that have been issued on a distribution will generally be equal to the amount of the distribution. A consolidation of Units following a distribution paid in the form of additional Units as described under "Distribution Policy" will not be regarded as a disposition of Units and will not affect the aggregate adjusted cost base to a Holder. Any additional Units acquired by a Holder on the reinvestment of distributions will generally have a cost equal to the amount reinvested.

In the case of an exchange of Units for a Basket of Securities, or in the case of a distribution of portfolio securities and/or cash on termination of the Evolve Fund, a Holder's proceeds of disposition of Units would generally be equal to the aggregate of the fair market value of the distributed property and the amount of any cash received. The cost to a Holder of any property received from the Evolve Fund upon the exchange or termination will generally be equal to the fair market value of such property at the time of the distribution. In the case of an exchange of Units for a Basket of Securities, or in the case of a distribution of portfolio securities and/or cash on termination of the Evolve Fund, the investor may receive securities that may or may not be qualified investments under the Tax Act for Plans. If such securities are not qualified investments for Plans, such Plans (and, in the case of certain Plans, the annuitants, beneficiaries or subscribers thereunder or holders thereof) may be subject to adverse tax consequences. Investors should consult their own tax counsel for advice on whether or not such securities would be qualified investments for Plans.

Pursuant to the Declaration of Trust, the Evolve Fund may allocate and designate as payable any capital gains realized by the Evolve Fund as a result of any disposition of property of the Evolve Fund undertaken to permit or facilitate the redemption or exchange of Units to a Holder whose Units are being redeemed or exchanged. In addition, the Evolve Fund has the authority to distribute, allocate and designate any capital gains of the Evolve Fund to a Unitholder who has redeemed or exchanged Units during a year in an amount equal to the Unitholder's share, at the time of redemption

or exchange, of the Evolve Fund's capital gains for the year. Any such allocations and designations will reduce the redemption price otherwise payable to the Holder and therefore the Holder's proceeds of disposition. Based on recent amendments to the Tax Act, a taxable capital gain in respect of an amount so allocated and designated to a redeeming or exchanging Unitholder would only be deductible to the Evolve Fund to the extent of half of the amount of the gain that would otherwise be realized by the Unitholder on the redemption or exchange of Units.. However, under the ATR Rule, amounts of taxable capital gains so allocated and designated to redeeming or exchanging Unitholders are proposed to be deductible to the Evolve Fund to the extent of the redeeming or exchanging Unitholders' pro rata share (as determined under the ATR Rule) of the net taxable capital gains of the Evolve Fund for the year.

In general, one-half of any capital gain (a "**taxable capital gain**") realized by a Holder on the disposition of Units or a taxable capital gain designated by the Evolve Fund in respect of the Holder for a taxation year of the Holder will be included in computing the Holder's income for that year and one-half of any capital loss (an "**allowable capital loss**") realized by the Holder in a taxation year of the Holder generally must be deducted from taxable capital gains realized by the Holder in the taxation year or designated by the Evolve Fund in respect of the Holder for the taxation year in accordance with the detailed provisions of the Tax Act. Allowable capital losses for a taxation year in excess of taxable capital gains for that taxation year may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against taxable capital gains in accordance with the provisions of the Tax Act.

Amounts designated by the Evolve Fund to a Holder as taxable capital gains or dividends from taxable Canadian corporations, and taxable capital gains realized on the disposition of Units may increase the Holder's liability, if any, for alternative minimum tax.

Taxation of Registered Plans

Distributions received by Plans on Units and capital gains realized by Plans on the disposition of Units are generally not taxable under Part I of the Tax Act provided the Units are "qualified investments" for the Plan for purposes of the Tax Act.

Holders should consult with their own advisors regarding the tax implications of establishing, amending, terminating or withdrawing amounts from a Plan.

Notwithstanding the foregoing, the holder of a TFSA or RDSP, the annuitant of an RRSP or RRIF or the subscriber of an RESP will be subject to a penalty tax in respect of Units held by such Plan if such Units are a "prohibited investment" for such Plan for the purposes of the Tax Act. The Units will not be a "prohibited investment" for a trust governed by such a Plan unless the holder of the TFSA or RDSP, the annuitant of the RRSP or RRIF or the subscriber of the RESP, as applicable, (i) does not deal at arm's length with the Evolve Fund for purposes of the Tax Act, or (ii) has a "significant interest" as defined in the Tax Act in the Evolve Fund. Generally, a holder, annuitant or subscriber, as the case may be, will not have a significant interest in the Evolve Fund unless the holder, annuitant or subscriber, as the case may be, owns interests as a beneficiary under the Evolve Fund that have a fair market value of 10% or more of the fair market value of the interests of all beneficiaries under the Evolve Fund, either alone or together with persons and partnerships with which the holder, annuitant or subscriber, as the case may be, does not deal at arm's length. In addition, the Units will not be a prohibited investment if such Units are "excluded property" as defined in the Tax Act for a trust governed by a TFSA, RDSP, RRSP, RRIF or RESP.

Proposals were released by the Department of Finance on August 9, 2022 to implement tax measures applicable to FHSAs which were first proposed by the 2022 Federal Budget (Canada) (such amendments, the "**FHSA Amendments**"). If the FHSA Amendments are enacted in the form proposed, a trust governed by an FHSA will generally be subject to the qualified investment rules in the Tax Act applicable to Plans and the Units of an Evolve Fund will be a qualified investment for a trust governed by an FHSA provided the conditions discussed above in relation to Plans are satisfied. In addition, the rules in respect of a "prohibited investment" are also expected to apply to FHSAs and the holders thereof. The FHSA Amendments are proposed to come into force on January 1, 2023.

Holders, annuitants and subscribers should consult their own tax advisors with respect to whether Units would be prohibited investments, including with respect to whether such Units would be excluded property.

Tax Implications of the Evolve Fund's Distribution Policy

The NAV per Unit of the Evolve Fund will, in part, reflect any income and gains of the Evolve Fund that have accrued or have been realized, but have not been made payable at the time Units were acquired. Accordingly, a Holder who

acquires Units, including on a distribution of Units or on a reinvestment in Units, may become taxable on the Holder's share of such income and gains of the Evolve Fund. In particular, an investor who acquires Units at any time in the year but prior to a distribution being paid or made payable will have to pay tax on the entire distribution (to the extent it is a taxable distribution) notwithstanding that such amounts may have been reflected in the price paid by the Holder for the Units. Further, where a Holder acquires Units in a calendar year after December 15 of such year, such Holder may become taxable on income earned or capital gains realized in the taxation year ending on December 15 of such calendar year but that had not been made payable before the Units were acquired.

Where the Evolve Fund realizes capital gains on the disposition of assets effected to fund the redemption price for Units tendered for redemption during a year, or has otherwise realized gains during the year prior to the time of redemption, such capital gains may be allocated or designated to Unitholders who hold Units of the Evolve Fund at the end of the year rather than to the redeeming Unitholders.

ORGANIZATION AND MANAGEMENT DETAILS OF THE EVOLVE FUND

Manager

EFG is the trustee, manager, promoter and portfolio manager of the Evolve Fund and will be responsible for the administration of the Evolve Fund. In its capacity as portfolio manager, EFG is responsible for the oversight and provision of investment advisory services to the Evolve Fund by the Sub-Advisor. The Manager is registered as an investment fund manager and portfolio manager with the applicable Securities Regulatory Authorities in Canada. The registered office of the Evolve Fund and the Manager is located at Scotia Plaza, 40 King Street West, Suite 3404, Toronto, ON M5H 3Y2.

The Manager performs or arranges for the performance of management services for the Evolve Fund and is responsible for the administration of the Evolve Fund. The Manager is entitled to fees for its services as manager under the Declaration of Trust as described under "Fees and Expenses" and will be reimbursed for all reasonable costs and expenses incurred by the Manager on behalf of the Evolve Fund.

Duties and Services to be provided by the Manager

Pursuant to the Declaration of Trust, the Manager has full authority and responsibility to manage and direct the business and affairs of the Evolve Fund, to make all decisions regarding the business of the Evolve Fund and to bind the Evolve Fund. The Manager may delegate certain of its powers to third parties where, in the discretion of the Manager, it would be in the best interests of the Evolve Fund to do so.

The Manager is responsible for providing, or causing to be provided, management, administrative and portfolio advisory and investment management services to the Evolve Fund. The Manager's duties include, without limitation:

- (i) negotiating contracts with certain third-party service providers, including but not limited to investment managers, sub-advisors, custodians, registrars, transfer agents, auditors and printers;
- (ii) authorizing the payment of operating expenses incurred on behalf of the Evolve Fund;
- (iii) maintaining accounting records;
- (iv) preparing the reports to Unitholders and to the applicable Securities Regulatory Authorities;
- (v) calculating the amount and determining the frequency of distributions by the Evolve Fund;
- (vi) preparing financial statements, income tax returns and financial and accounting information as required;
- (vii) ensuring that Unitholders are provided with financial statements and other reports as are required from time to time by applicable law;
- (viii) ensuring that the Evolve Fund complies with all other regulatory requirements including continuous disclosure obligations under applicable securities laws;
- (ix) administering purchases, redemptions and other transactions in Units;
- (x) arranging for any payments required upon termination of the Evolve Fund;
- (xi) dealing and communicating with Unitholders;

- (xii) providing office facilities and personnel to carry out these services, if not otherwise furnished by any other service provider to the Evolve Fund;
- (xiii) monitoring the investment strategy of the Evolve Fund to ensure that the Evolve Fund complies with its investment objective, investment strategies and investment restrictions and practices; and
- (xiv) facilitating the execution of orders and investment recommendations provided by sub-advisors where required.

The Manager is required to exercise its powers and discharge its duties honestly, in good faith and in the best interests of the Unitholders of the Evolve Fund, and to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. The Declaration of Trust provides that the Manager will not be liable to the Evolve Fund or to any Unitholder or any other person for any loss or damage relating to any matter regarding the Evolve Fund, including any loss or diminution of value of the assets of the Evolve Fund if it has satisfied its standard of care set forth above.

The administration and management services of the Manager under the Declaration of Trust are not exclusive and nothing in the Declaration of Trust prevents the Manager from providing similar administrative and management services to other investment funds and other clients (whether or not their investment objectives and policies are similar to those of the Evolve Fund) or from engaging in other activities.

The Manager and each of its directors, officers, employees and agents may be indemnified out of the assets of the Evolve Fund from and against all claims whatsoever, including costs, charges and expenses in connection therewith, brought, commenced or prosecuted against it for or in respect of any act, deed, matter or thing whatsoever made, done or omitted in or in relation to the execution of its duties to the Evolve Fund as long as the person acted honestly and in good faith with a view to the best interests of the Evolve Fund.

The Manager may resign upon 90 days' prior written notice to the Trustee or upon such lesser notice period as the Trustee may accept. The Manager may also be removed by the Trustee on at least 90 days' written notice to the Manager. The Manager is deemed to have resigned if the Manager ceases to (i) be resident in Canada for the purposes of the Tax Act; or (ii) carry out its functions of managing the Evolve Fund in Canada. The Trustee shall make every effort to select and appoint a successor manager prior to the effective date of the Manager's resignation.

Officers and Directors of the Manager

The name and municipality of residence of each of the directors and executive officers of the Manager and their principal occupations are as follows:

Name and Municipality of Residence

RAJ LALA
Toronto, Ontario

SCHARLET DIRADOUR
Toronto, Ontario

Position with the Manager and Principal Occupation

President, Chief Executive Officer, Director and Ultimate Designated Person, EFG

Prior to founding EFG, Raj Lala served as Head of WisdomTree Canada – a division of WisdomTree Investments Inc., one of the world's largest ETF issuers. Prior to this, Mr. Lala was Executive Vice President and Head of Retail Markets for Fiera Capital Corporation, a prominent Canadian investment management firm with over \$100 billion in assets under management. Mr. Lala co-founded and served as President and CEO of Propel Capital Corporation (which was acquired by Fiera Capital Corporation in September 2014). Propel raised approximately \$1 billion in structured products in its five years of operation. Prior to Propel, Mr. Lala worked with Jovian Capital. Mr. Lala held several roles at Jovian including President of JovFunds Inc., an asset management division of Jovian Capital. Mr. Lala holds a Bachelor's degree in Economics from the University of Toronto (1994).

Chief Financial Officer, EFG

Prior to joining EFG, Ms. Diradour played a key role in the establishment of a Derivatives and Alternative Investments Administration group at Fiera

***Name and Municipality of
Residence***

Position with the Manager and Principal Occupation

ELLIOT JOHNSON
TORONTO, ONTARIO

Capital Corporation, a major Canadian investment management firm with over \$100 billion in asset under management. In addition, Ms. Diradour was an integral part of driving a full-scale operational process for Fiera Quantum Limited Partnership, an alternative investment manager. Previously, Ms. Diradour was a Senior Analyst on the Operations Risk and Valuation Group at Curaçao International Trust Company Fund Services (Canada), working closely with many prominent US and European hedge funds. Ms. Diradour received a BA Dipl. with Honours from Humber Business School, a BAS Specialized Honours from York University and a MFin from Queen's University. Ms. Diradour has completed Level II of the CFA Program. Through Humber Business Schools Ms. Diradour was awarded the David Dodge Economics Award, personally presented by David Dodge, the Former Governor of the Bank of Canada for excellence in studies in economics. Ms. Diradour was also presented the Rosemary Brown Human Rights Award for outstanding academic achievement. Ms. Diradour volunteers as an advisor for Queen's University Smith School of Business – Alumni Advisory Program.

Chief Investment Officer, Chief Operating Officer, Chief Compliance Officer, Corporate Secretary and Director, EFG

Prior to joining EFG, Mr. Johnson was Senior Vice President, Retail Markets at Fiera Capital Corporation, a prominent Canadian investment management firm. Prior to this role, Mr. Johnson served as Chief Operating Officer of Fiera Quantum Limited Partnership, an alternative investment manager. From 2010 to 2012, Mr. Johnson led technology management for a number of business lines at National Bank of Canada. Prior to 2012 he spent 13 years at GMP Capital Corp. in a variety of management roles across institutional brokerage, wealth management and asset management businesses. Mr. Johnson holds the Canadian Investment Manager (CIM) designation, the Derivatives Markets Specialist (DMS) designation and is a Fellow of the Canadian Securities Institute (FCSI). From 2016 to 2020, Mr. Johnson served on the board of Trinity College at the University of Toronto as the Chair of the Committee on Investments. Mr. Johnson currently serves as Chair, President and a trustee of the Upper Canada College Foundation and is also a trustee of the US based Upper Canada Educational Foundation.

KEITH CRONE
Toronto, Ontario

Executive Vice President, Head of Marketing and Director, EFG

Prior to joining EFG, Mr. Crone served as Vice President, Retail Markets at Fiera Capital Corporation, a prominent Canadian investment management firm with over \$100 billion in assets under management. Mr. Crone served as Vice President and Partner of Propel Capital Corporation (which was acquired by Fiera Capital Corporation in September 2014). Propel raised approximately \$1 billion in structured products in its five years of operation. Prior to Propel, Mr. Crone served as Senior Vice President, Sales within JovFunds Inc., the specialty investment arm of Jovian Capital Corporation. Prior to 2005, Mr. Crone served in various sales and marketing capacities at Dynamic Funds, which is now a wholly-owned subsidiary of Scotiabank.

MICHAEL SIMONETTA
Toronto, Ontario

Chairman and Director, EFG

Mr. Simonetta has a broad background in management, investment and capital markets. Mr. Simonetta was one of the founding partners of First Asset Management Inc. ("FAMI"), and served as President and CEO of FAMI from 1997 to 2006. At the time FAMI was sold in 2005, FAMI managed in

Name and Municipality of Residence

Position with the Manager and Principal Occupation

excess of \$30 billion in assets and was one of Canada's top ten largest companies in the pension and high net worth asset management business. FAMI's affiliates have included: Beutel, Goodman & Company Ltd.; Foyston Gordon & Payne, Inc.; Deans Knight Capital Management Ltd., Montrusco Bolton Investments Inc.; Covington Capital Corporation; First Asset Funds Inc. (formerly Triax Capital Corporation); and Northwest Mutual Funds Inc. FAMI was sold in 2005 to Affiliated Managers Group, Inc. (NYSE: AMG), a publicly listed investment management company based in Boston. Mr. Simonetta is a member of the Institute of Chartered Accountants of Ontario, obtaining his C.A. designation in 1984 while achieving Top 20 Honour Roll standing, and holds a Bachelor of Arts from the University of Waterloo (1983 – Gold Medal).

Sub-Advisor for the Evolve Fund

Pursuant to a portfolio management sub-advisory agreement dated August 4, 2022 (the “**Slate Sub-Advisory Agreement**”) between the Manager and Slate Securities L.P., the Manager appointed Slate Securities L.P. as an investment sub-advisor for the Evolve Fund. Slate Securities L.P. is currently registered in the category of advisor as a portfolio manager with the Ontario Securities Commission and with each of the other provincial regulatory authorities in Canada.

The Sub-Advisor will principally provide its services to the Evolve Fund in Toronto, Ontario, Canada.

The following portfolio managers of Slate Securities L.P. are principally responsible for the portfolio management of the Evolve Fund:

| <u>Name and Jurisdiction of Residence</u> | <u>Position with Slate Securities L.P.</u> | <u>Principal Occupation</u> |
|--|---|--|
| FRASER MCEWEN ONTARIO | CHIEF EXECUTIVE OFFICER | CHIEF EXECUTIVE OFFICER, SLATE SECURITIES L.P. |
| ERIK DMYTRUK ALBERTA | MANAGING DIRECTOR AND PORTFOLIO MANAGER | MANAGING DIRECTOR AND PORTFOLIO MANAGER, SLATE SECURITIES L.P. |

Fraser McEwen is a Partner at Slate Securities L.P. and has over 25 years industry experience. Prior to Slate Securities L.P., Mr. McEwen was Director, Retail Capital Markets at GMP Securities L.P. where his focus was on the origination, structuring and distribution of new issue offerings that encompass alternative assets, real estate, structured products and solutions, private equity, managed product, and single issuers that were for distribution via the advisory channel for high net worth and retail investors. Prior to joining GMP Securities L.P. in 2010, Mr. McEwen was with HSBC Bank Canada as a Senior Vice President, running the Canadian wealth management structured derivative solutions group that structured and marketed structured derivative solutions and products across a broad range of derivative asset classes including equity, fixed income, FX, commodities, and alternative investments to investment advisors, independent wholesalers, and asset managers. He initially joined HSBC Bank Canada in early 2000 as an equity trader on the institutional equity trading desk. Prior to HSBC Bank Canada, Mr. McEwen was in portfolio management at SVC O'Donnell Mutual Funds. He holds a BSc from the University of Western Ontario and the CAIA designation.

Erik Dmytruk is a Managing Director at Slate Securities L.P. and has nearly two decades of real estate investing experience. Most recently, Mr. Dmytruk was Director, Real Estate at Alberta Investment Management Corporation (AIMCo), focused on Retail and Special Situations, leading innovative capital markets activities such as investment in public and private real estate companies and portfolio debt issuance. He started his career at AIMCo in 2003 and played an integral role in growing AIMCo's real estate investments from a \$2 billion domestic portfolio to more than \$21 billion globally. He gained extensive experience in all aspects of the real estate investment process including acquisitions, development, tactical asset planning, leasing initiatives, JV arrangements, portfolio construction and risk

management. Mr. Dmytruk managed a public markets portfolio with a value in excess of \$650 million which was successfully implemented in order to complement the global real estate portfolio by taking advantage of dislocations that occur in public markets, and to diversify with strategic long-term investments. Prior to joining AIMCo, Mr. Dmytruk competed briefly on the professional tennis circuit after earning ITA NCAA All America team status as a collegiate athlete. Mr. Dmytruk graduated with Honors from the University of California – Berkeley with a Bachelor of Science degree in Business Administration, and he is a CFA Charterholder.

The investment decisions made by these individuals are not subject to oversight, approval or ratification.

Slate Sub-Advisory Agreement

Under the Slate Sub-Advisory Agreement, the Sub-Advisor is required to act at all times on a basis which is fair and reasonable to the Evolve Fund, to act honestly and in good faith with a view to the best interests of the Evolve Fund, and, in connection therewith, to exercise the degree of care, diligence and skill that a reasonably prudent portfolio manager would exercise in comparable circumstances. The Slate Sub-Advisory Agreement provides that the Sub-Advisor, any of its affiliates or any of its or their officers, directors, members, equity holders or employees will not be liable in any way to the parties indemnified under the Slate Sub-Advisory Agreement for any default, failure or defect in any of the securities comprising the Evolve Fund's portfolio unless it fails to satisfy the standard of care, diligence and skill Slate forth above.

The Slate Sub-Advisory Agreement further provides that the Sub-Advisor will not be liable for any losses in the NAV of the Evolve Fund unless it fails to satisfy the standard of care, diligence and skill set forth above. Pursuant to the Slate Sub-Advisory Agreement, the Sub-Advisor any of its affiliates or any of its or their officers, directors, members, equity holders and employees shall be indemnified from the assets of the Evolve Fund against all losses (other than loss of profits), expenses and liabilities incurred by any of them in connection with any matter relating to their respective duties under the Slate Sub-Advisory Agreement, unless caused by a material breach or misconduct of such person's obligations under the Slate Sub-Advisory Agreement or an act or omission involving wilful misconduct, gross negligence or reckless disregard of such person's duties under the Slate Sub-Advisory Agreement.

The Sub-Advisor may terminate the Slate Sub-Advisory Agreement, without payment of any penalty in accordance with the Slate Sub-Advisory Agreement, including in the following circumstances: (i) subject to a minimum term of one year, upon 120 days' written notice to the Manager; (ii) in the event that the Manager is in material breach of the Slate Sub-Advisory Agreement and the material breach has not been cured within 20 Business Days' (as defined in the Slate Sub-Advisory Agreement) notice thereof to the Manager; (iii) if there is a material change in the investment objectives, investment strategies and/or investment restrictions of the Evolve Fund to which the Sub-Advisor has not previously agreed; (iv) if there is a dissolution and commencement of winding-up of the Evolve Fund or the Manager (except a voluntary dissolution or voluntary liquidation as the case may be for the purposes of reconstruction or amalgamation upon terms previously approved in writing by the parties); (v) if the Evolve Fund or the Manager becomes bankrupt or insolvent or makes a general assignment for the benefit of its creditors or a receiver is appointed in respect of the Evolve Fund or the Manager or a substantial portion of its assets; (vi) if the assets of the Evolve Fund or the Manager become subject to seizure or confiscation by any public or governmental organization; (vii) if the Manager has lost any registration, license or other authorization or cannot rely on an exemption therefrom required by it to satisfy its covenants contained in the Slate Sub-Advisory Agreement; or (viii) if the Manager has breached the Sub-Advisor's standard of care (as defined in the Slate Sub-Advisory Agreement).

The Manager may terminate the Slate Sub-Advisory Agreement, without payment of any penalty in accordance with the Slate Sub-Advisory Agreement, including in the following circumstances: (i) subject to a minimum term of one year, upon 120 days' written notice to the Sub-Advisor; (ii) subject to a minimum term of one year, upon 120 days' written notice to the Sub-Advisor, provided that the Manager assumes the portfolio management services required by the Evolve Fund; (iii) if there is a material change in the investment objectives, investment strategies and/or investment restrictions of the Evolve Fund and the Manager and the Sub-Advisor cannot agree on the implementation of such modified investment objectives, investment strategies and/or investment restrictions; (iv) in the event that the Sub-Advisor is in material breach of the Slate Sub-Advisory Agreement and the material breach has not been cured within 30 Business Days' notice thereof to the Sub-Advisor; (v) if there is a dissolution and commencement of winding-up of the Sub-Advisor (except a voluntary dissolution or voluntary liquidation as the case may be for the purposes of reconstruction or amalgamation upon terms previously approved in writing by the parties); (vi) if the Sub-Advisor becomes bankrupt or insolvent or makes a general assignment for the benefit of the creditors or a receiver is appointed in respect of the Sub-Advisor or a substantial portion of the assets of the Sub-Advisor; (vii) if the assets of the Sub-Advisor become subject to seizure or confiscation by any public or governmental organization; (viii) if the Sub-

Advisor has lost any registration, license or other authorization or cannot rely on an exemption therefrom required by the Sub-Advisor for it to perform the services delegated to it thereunder; or (ix) if the Sub-Advisor acted with wilful misconduct, fraud or gross negligence.

The Slate Sub-Advisory Agreement will not be subject to termination under clause (iv) in the preceding paragraph if a material breach by the Sub-Advisor cannot be cured within 30 Business Days' notice thereof but the Sub-Advisor commences the cure within the 30 Business Day period and completes the cure within 45 days of such notice. In addition, if the Sub-Advisor purchases a security for the portfolio of the Evolve Fund or takes any other action with respect to the assets of the Evolve Fund that through inadvertence violates any investment strategy or restriction set forth in the Slate Sub-Advisory Agreement and the violation has or will have a material adverse effect on the portfolio of the Evolve Fund, then it will not be considered a material breach for purposes of the termination right in clause (iv) in the preceding paragraph if the Sub-Advisor takes action that returns the portfolio of the Evolve Fund to compliance with such investment strategy or restriction within the cure period described above, as the same may be extended by agreement in writing by all the parties to the Slate Sub-Advisory Agreement.

The Manager is responsible for payment of the investment management fees of the Sub-Advisor out of the Management Fee.

Presima Inc.

In fulfilling its investment management duties to the Evolve Fund, and provided that the Sub-Advisor shall remain responsible for ensuring that all portfolio management services provided to the Evolve Fund are in compliance with the Slate Sub-Advisory Agreement and applicable laws, the Sub-Advisor intends to delegate certain portfolio management duties to its registered affiliates, including Presima. The principal business address of Presima is 1000, Place Jean-Paul Riopelle Bureau 400, Montreal Herald Building, Montréal, Québec H2Z 2B6. The telephone number of Presima is (514) 673-1375, and its website is <https://presima.com>.

Presima, a corporation incorporated under the laws of Québec, is registered as an investment fund manager, portfolio manager and exempt market dealer in the provinces of Québec, Ontario, British Columbia, Alberta and Nova Scotia, as a derivatives portfolio manager in Québec, and as an investment adviser with the United States Securities and Exchange Commission. Presima is a specialist boutique asset manager focused on global real estate securities. With almost 20 years of management experience in the asset class, the firm has developed in-depth knowledge and expertise in the sphere of global real estate.

Presima is wholly-owned by Slate Asset Management L.P. (“**Slate**”), a global alternative investment platform targeting real assets. Slate focuses on fundamentals with the objective of creating long-term value for its investors and partners. Slate’s platform has a range of real estate and infrastructure investment strategies, including opportunistic, value add, core plus and debt investments. Slate is supported by exceptional people and flexible capital, which enable the firm to originate and execute on a wide range of compelling investment opportunities

As at December 31, 2021, Presima managed approximately C\$1,376.7 million in assets under management.

The following portfolio manager of Presima would be principally responsible for the portfolio management of the Evolve Fund:

| <u>Name and Jurisdiction of Residence</u> | <u>Position with Presima Inc.</u> | <u>Principal Occupation</u> |
|--|---|--|
| MARC-ANDRÉ FLAGEOLE QUÉBEC | GLOBAL PORTFOLIO MANAGER, HEAD OF THE INVESTMENT TEAM | GLOBAL PORTFOLIO MANAGER, HEAD OF THE INVESTMENT TEAM OF PRESIMA INC. |
| CHRIS BLANCHARD QUÉBEC | GLOBAL PORTFOLIO MANAGER | GLOBAL PORTFOLIO MANAGER |
| STÉPHANE LARSEN QUÉBEC | GLOBAL PORTFOLIO MANAGER | GLOBAL PORTFOLIO MANAGER |

Marc-André Flageole joined Presima in 2006. Mr. Flageole is a Global Portfolio Manager and heads the Investment Team. His role involves investment decision-making and portfolio construction for Presima's global real estate securities strategies as well as stock coverage within the Asia-Pacific region. Mr. Flageole is also responsible for managing the research efforts and insuring the development of the firm's investment team. Mr. Flageole joined the financial industry in 2005, having worked as a risk manager at the Caisse de depot et de placement du Quebec, where he analyzed both market and non-market risks of portfolios comprised of equities, derivatives, bonds, private equity and real estate investments.

Chris Blanchard joined Presima in 2007. He is a Global Portfolio Manager. His role involves investment decision-making and portfolio construction for Presima's global real estate securities strategies and he is responsible for stock coverage within the European region. Mr. Blanchard brings over 10 years of investment industry experience with over 8 years of specific emerging market focus. He joined Presima in 2007. Prior to joining Presima, Mr. Blanchard was a director of the Capital Market Group for CB Richard Ellis in Montreal. He was responsible for building an Eastern Canadian-based clientele for CB Richard Ellis' mortgage brokerage business. Prior to this, he helped develop Cordiant Capital, a privately held emerging market investment manager with approximately US\$1 billion under management in private equity and private debt investments for Canadian and international pension funds. At Cordiant, Mr. Blanchard was responsible for managing a portfolio of approximately US\$100 million in emerging market investment. His functions included sourcing, analyzing and monitoring emerging market corporate and asset backed loans. Mr. Blanchard is a graduate of Queen's University and holds the Chartered Financial Analyst (CFA) designation.

Stéphane Larsen joined Presima in 2002. He is a Global Portfolio Manager. His role involves investment decision-making and portfolio construction for Presima's global real estate securities strategies and he is responsible for stock coverage within the North American region. Prior to joining Presima, Mr. Larsen worked for Socrate Wealth Management, a Montreal-based wealth management firm which also executed research for a privately-held Swiss bank. His responsibilities included covering various sectors including chemical, utility and pharmaceutical companies on a global basis. He was also a member of the Asset Allocation Committee. Mr. Larsen is a graduate of Sherbrooke University's Master of Science program with a concentration in Finance and from HEC's Bachelor of Commerce program with a concentration in Finance. He also holds the Chartered Financial Analyst (CFA) designation.

Brokerage Arrangements

The Manager may utilize various brokers to effect securities transactions on behalf of the Evolve Fund. These brokers may directly provide the Manager with research and related services, in addition to executing transactions. Although the Evolve Fund may not benefit equally from each research and related service received from a broker, the Manager will endeavour to ensure that the Evolve Fund receives an equitable benefit over time. The Manager will monitor and evaluate the execution performance of its brokers with a view to determining whether steps should be taken to improve the quality of trade execution. When determining whether a broker should be added to the Manager's list of approved brokers, there are numerous factors that are considered including transaction cost, value of research, type and size of an order, speed and certainty of execution, responsiveness and trade matching quality.

Approved brokers will be monitored on a regular basis to ensure that the value of the goods and services, as outlined above, provides a reasonable benefit as compared to the amount of brokerage commissions paid for the goods and services.

Conflicts of Interest

The administration, management and investment advisory services of the Manager and the Sub-Advisor are not exclusive and nothing in the Declaration of Trust or the Slate Sub-Advisory Agreement prevents the Manager or the Sub-Advisor from providing similar services to other investment funds and other clients (whether or not their investment objectives and policies are similar to those of the Evolve Fund) or from engaging in other activities.

Investments in securities purchased by the Manager or the Sub-Advisor on behalf of the Evolve Fund and other investment funds managed by the Manager or Sub-Advisor will be allocated to the Evolve Fund and such other investment funds on a fair and equitable basis according to the size of the order and the applicable investment restrictions and policies of the Evolve Fund and the other investment funds.

When it is determined that it would be appropriate for the Evolve Fund and one or more other investment accounts managed by the Manager or the Sub-Advisor or its affiliates to participate in an investment opportunity, the Manager and the Sub-Advisor will seek to make such investments for all of the participating investment accounts, including

the Evolve Fund, on an equitable basis, taking into account such factors as the relative amounts of capital available for new investments and the investment programs and portfolio positions of the Evolve Fund and the affiliated entities for which participation is appropriate. Orders may be combined for all such accounts, and if any order is not filled at the same price, they may be allocated on an average price basis. Similarly, if an investment for the account of more than one account cannot be fully executed under prevailing market conditions, investments may be allocated among the different accounts on a basis which the Manager or the Sub-Advisor or its affiliates consider equitable. The Manager and the Sub-Advisor may recommend that the Evolve Fund sell a security, while not recommending such sale for other accounts in order to enable the Evolve Fund to have sufficient liquidity to honor Unitholders' repurchase requests.

The Declaration of Trust acknowledges that the Manager may provide services to the Evolve Fund in other capacities, provided that the terms of any such arrangement are no less favourable to the Evolve Fund than those that would be obtained from parties that are at arm's length for comparable services.

The Manager and the Sub-Advisor may at times have interests that differ from the interests of the Unitholders. Where the Manager, the Sub-Advisor or their respective affiliates otherwise perceive in the course of business, that they are or may be in a material conflict of interest position, the matter will be referred to the IRC. The IRC will consider all matters referred to it and provide its recommendations to the Manager as soon as possible. In evaluating these conflicts of interest, potential investors should be aware that the Manager and the Sub-Advisor have a responsibility to the Unitholders to exercise good faith and fairness in all dealings affecting the Evolve Fund. In the event that a Unitholder believes that the Manager or the Sub-Advisor has violated its duty to such Unitholder, the Unitholder may seek relief for itself or on behalf of the Evolve Fund to recover damages from or to require an accounting by the Manager. Unitholders should be aware that the performance by the Manager and Sub-Advisor of its responsibilities to the Evolve Fund will be measured in accordance with (i) the provisions of the agreement by which the Manager and the Sub-Advisor have been appointed to its position with the Evolve Fund; and (ii) applicable laws.

Neither the Designated Broker nor any Dealer has been involved in the preparation of this prospectus or has performed any review of the contents of this prospectus and, as such, the Designated Broker and the Dealers do not perform many of the usual underwriting activities in connection with the distribution by the Evolve Fund of its Units under this prospectus. Units of the Evolve Fund do not represent an interest or an obligation of the Designated Broker, any Dealer or any affiliate thereof and a Unitholder does not have any recourse against any such parties in respect of amounts payable by the Evolve Fund to the Designated Broker or applicable Dealers.

A registered dealer acts as the Designated Broker and one or more registered dealers acts or may act as a Dealer and/or a market maker. These relationships may create actual or perceived conflicts of interest that investors should consider in relation to an investment in the Evolve Fund. In particular, by virtue of these relationships, these registered dealers may profit from the sale and trading of Units. The Designated Broker, as market maker of the Evolve Fund in the secondary market, may therefore have economic interests that differ from, and may be adverse to, those of Unitholders. Any such registered dealer and its affiliates may, at present or in the future, engage in business with the Evolve Fund, with the issuers of securities making up the investment portfolio of the Evolve Fund or with the Manager or any funds sponsored by the Manager or its affiliates, including by making loans, entering into Derivative transactions or providing advisory or agency services to the Manager or its affiliates. In addition, the relationship between any such registered dealer and its affiliates and the Manager and its affiliates may extend to other activities, such as being part of a distribution syndicate for other funds sponsored by the Manager or its affiliates.

See also "Other Material Facts".

Independent Review Committee

As required by NI 81-107, the Manager has established an IRC to review all conflicts of interest matters identified and referred to the IRC by the Manager relating to the Evolve Fund. The IRC reviews and gives its approval or recommendations as to the conflict of interests matters referred to it. A conflict of interest matter is a situation where a reasonable person would consider the Manager or an entity related to the Manager to have an interest that conflicts with the Manager's ability to act in good faith and in the best interest of the Evolve Fund. The IRC is also required to approve certain reorganizations involving the Evolve Fund and any change of the auditors of the Evolve Fund.

The IRC is made up of members who are independent. The Manager considers that an individual is independent if the individual is not a director, officer or employee of any of the Manager or an affiliate of the Manager for at least 5 years. In addition, the individual must be independent of management and free from any interest and any business or

other relationship that could, or could reasonably be perceived to, materially interfere with the individual's ability to act with the view to the best interest of the Evolve Fund.

The members of the IRC are Kevin Drynan (Chair), Rod McIsaac and Mark Leung.

The IRC has a written charter that sets out its powers, duties and responsibilities. Additionally, pursuant to NI 81-107, the IRC assesses, at least annually, the adequacy and effectiveness of the following: the Manager's policies and procedures regarding conflict of interest matters; any standing instructions that the IRC gave to the Manager for conflict of interest matters related to the Evolve Fund; the compliance of the Manager and the Evolve Fund with any conditions imposed by the IRC on a recommendation or approval it has provided to the Manager; the independence and compensation of its members; the IRC's effectiveness as a committee; and the contribution of each member to the IRC.

The IRC prepares a report for Unitholders, at least annually, of its activities. Such report is made available on the Manager's website at www.evolvefunds.com or, at the request of a Unitholder and at no cost, by calling the Manager at (416)-214-4884 or toll-free at 1-844-370-4884 or by sending an email request to info@evolvefunds.com.

The members of the IRC are paid an annual fee for serving on the IRC of the investment funds in the EFG family of funds. Each investment fund, including the Evolve Fund, is responsible for a portion of that fee, which is allocated by the Manager among the various funds. Currently, annual fees are payable to the following members of the IRC as follows: Kevin Drynan (Chair, \$10,000), Rod McIsaac (\$7,500) and Mark Leung (\$7,500). In addition to the annual fee, each IRC member will receive an additional \$2,000 for each additional meeting held after the first two meetings in any year.

The investment funds in the EFG family of funds all share the same IRC. Fees and expenses of the IRC are borne and shared by all of the investment funds in the EFG family of funds.

Trustee

Pursuant to the Declaration of Trust, the Manager is also the trustee of the Evolve Fund. The Trustee may resign upon 90 days' notice to Unitholders and the Manager. The Trustee must be removed if the Trustee ceases to (i) be resident in Canada for purposes of the Tax Act; (ii) carry out its function of managing the Evolve Fund in Canada; or (iii) exercise the main powers and discretions of the Trustee in respect of the Evolve Fund in Canada. If the Trustee resigns or if it becomes incapable of acting as trustee, the Trustee may appoint a successor trustee prior to its resignation, and its resignation shall become effective upon the acceptance of such appointment by its successor. If no successor has been appointed within 90 days after the Trustee has provided the Manager with 90 days' notice of its intention to resign, the Evolve Fund will be terminated, and the property of the Evolve Fund shall be distributed in accordance with the terms of the Declaration of Trust.

The Declaration of Trust provides that the Trustee shall act honestly, in good faith and in the best interests of the Evolve Fund and shall perform its duties to the standard of care that a reasonably prudent person would exercise in the circumstances. In addition, the Declaration of Trust contains other customary provisions limiting the liability of the Trustee and indemnifying the Trustee in respect of certain liabilities incurred by it in carrying out the Trustee's duties.

At any time during which the Manager is the trustee, the Manager will receive no fee in respect of the provision of services as trustee.

Custodian

CIBC Mellon Trust Company, at its principal office in Toronto, Ontario, is custodian of the assets of the Evolve Fund pursuant to the Custodian Agreement. The Custodian has appointed qualified foreign sub-custodians in each jurisdiction in which the Evolve Fund has securities. The Manager or the Custodian may terminate the Custodian Agreement at any time upon ninety (90) days' written notice.

The Custodian is entitled to receive fees from the Manager as described under "Fees and Expenses" and to be reimbursed for all expenses and liabilities that are properly incurred by the Custodian in connection with the activities of the Evolve Fund.

Auditors

The auditors of the Evolve Fund are Ernst & Young LLP located at its principal offices in Toronto, Ontario. The auditors of the Evolve Fund may not be changed unless the IRC has approved the change and Unitholders have

received at least 60 days' notice before the effective date of the change, or as otherwise required by Canadian Securities Legislation.

Registrar and Transfer Agent

TSX Trust Company, at its principal offices in Toronto, Ontario, is the Registrar and Transfer Agent for the Evolve Fund pursuant to registrar and transfer agency agreements entered into as of the date of the initial issuance of Units of the Evolve Fund.

Fund Administrator

CIBC Mellon Global Securities Services Company, at its principal offices in Toronto, Ontario, is the Fund Administrator. The Fund Administrator is responsible for certain aspects of the day-to-day administration of the Evolve Fund, including NAV calculations, accounting for net income and net realized capital gains of the Evolve Fund and maintaining books and records with respect to the Evolve Fund.

Lending Agent

The Bank of New York Mellon may act as the securities lending agent of the Evolve Fund pursuant to a securities lending authorization agreement (the "**Securities Lending Agreement**") to be entered into between the Lending Agent, EFG, in its capacity as manager of the Evolve Fund, and the Lending Agent. The Lending Agent is not an affiliate or associate of the Manager. The Manager or the Lending Agent may terminate the Securities Lending Agreement upon thirty (30) days' written notice to the other parties at any time.

Under the Securities Lending Agreement, the collateral posted by a securities borrower to the Evolve Fund will be required to have an aggregate value of not less than 102% of the market value of the loaned securities. In addition to the collateral held by the Evolve Fund, the Evolve Fund will also benefit from a borrower default indemnity provided by the Lending Agent. The Lending Agent's indemnity will provide for the replacement of a number of securities equal to the number of unreturned loaned securities.

Promoter

The Manager has taken the initiative in founding and organizing the Evolve Fund and is, accordingly, the promoter of the Evolve Fund within the meaning of securities legislation of certain provinces and territories of Canada. The Manager, in its capacity as manager of the Evolve Fund, receives compensation from the Evolve Fund. See "Fees and Expenses".

FUND GOVERNANCE

The Manager, in its capacity as trustee of the Evolve Fund, has overall responsibility for the management of the Evolve Fund.

Policies, procedures, practices and guidelines

As manager of the Evolve Fund, the Manager is responsible for the day-to-day management, administration and operation of the Evolve Fund.

The Manager has established appropriate policies, procedures, practices and guidelines to ensure the proper management of the Evolve Fund, including as required by NI 81-107, policies and procedures relating to conflicts of interest. The systems used by the Manager in relation to the Evolve Fund monitor and manage the business and sales practices, risk and internal conflicts of interest relating to the Evolve Fund, while ensuring compliance with applicable regulatory, compliance and corporate requirements. The Manager's personnel responsible for compliance, together with management of the Evolve Fund, ensure that these policies, procedures, practices and guidelines are communicated from time to time to all relevant persons and are updated as necessary (including the systems referred to above) to reflect changing circumstances. The Manager also monitors the application of all such policies, procedures, practices and guidelines to ensure their continuing effectiveness.

Compliance with the investment practices and investment restrictions mandated by securities legislation is monitored by the Manager on a regular basis.

The Manager has also developed a personal trading policy for employees (the "**Policy**") which is designed to prevent potential, perceived or actual conflicts between the interests of the Manager and its staff and the interests of clients

and the Evolve Fund. Under the policy, certain of the Manager's personnel are required to pre-clear certain personal securities transactions in order to ensure that those trades do not conflict with the best interests of the Evolve Fund and have not been offered to the person because of the position they hold with the Manager. The Manager has also adopted the basic principles set out in the Code of Ethics on Personal Investing established by The Investment Funds Institute of Canada.

CALCULATION OF NET ASSET VALUE

The NAV and NAV per Unit of a class of Units of the Evolve Fund are calculated by the Fund Administrator as of the Valuation Time on each Valuation Date. The NAV of a class of Units of the Evolve Fund on a particular date is equal to the aggregate value of the assets of the Evolve Fund attributable to that class less the aggregate value of the liabilities of the Evolve Fund attributable to that class, including any accrued management and administration fees and any income, net realized capital gains or other amounts payable to Unitholders on or before such date, expressed in Canadian dollars. The NAV per Unit of a class of Units on any day is obtained by dividing the NAV of the Evolve Fund attributable to that class on such day by the applicable number of Units of that class of the Evolve Fund then outstanding.

Valuation Policies and Procedures of the Evolve Fund

In determining the NAV of the Evolve Fund at any time, the Fund Administrator uses the following valuation principles:

- a) cash on hand or on deposit, bills, demand notes, accounts receivable, prepaid expenses, cash dividends received or receivable and interest accrued and not yet received, shall be deemed to be the face value thereof unless the Manager has determined that any such deposit, bill, demand note, account receivable, prepaid expense, cash dividend received or receivable or interest is not worth the full face value, in which event the value thereof shall be deemed to be such value as the Manager determines to be reasonable;
- b) bonds, debentures, notes, money market instruments and other obligations shall be valued by taking the average of the most recently available bid and asked quotations at the Valuation Time on the Valuation Date;
- c) loans shall be valued at the Valuation Time on the Valuation Date in the following manner:
 - (i) the bid-side quote determined by any of Loan Pricing Corporation, MarkIt Partners or any other nationally recognized loan pricing service selected by the Manager, as applicable; or
 - (ii) if such quote described in clause (i) above is not available, the average of the bid-side quotes determined by the Manager, as applicable, from three independent broker-dealers active in the trading of such asset; or (A) if only two such bids can be obtained, the average of the bid-side quotes of such two bids; or (B) if only one such bid can be obtained, such bid; or
 - (iii) if such quote or bid described in clauses (i) and (ii) above are not available, the value of such loan (expressed as a percentage of par) shall be the value assigned by the Manager based on its best estimate of fair value, taking into consideration all relevant factors, including, but not limited to, the earnings and cash flow of the applicable obligor, comparable loans and/or obligors in the market, credit ratings and/or market credit spreads, interest rate levels, liquidity levels and position concentration levels;
- d) any security which is listed or dealt in upon a stock exchange shall be valued at its current market value;
- e) any security which is not listed or dealt in upon a stock exchange shall be valued at the most recently available sale price on the Valuation Date, or if such sale price is unavailable, the average of the bid and asked quotations immediately prior to the Valuation Time on the Valuation Date shall be used;
- f) restricted securities shall be valued at the lesser of:
 - (i) the value thereof based on reported quotations in common use; and
 - (ii) that percentage of the market value of securities of the same class, the trading of which is not restricted or limited by reason of any representation, undertaking or agreement or by law, equal to the percentage that the Evolve Fund's acquisition cost was of the market value of such

securities at the time of acquisition, as applicable, provided that a gradual taking into account of the actual value of the securities may be made where the date on which the restrictions will be lifted is known;

- g) purchased or written clearing corporation options, options on futures, over-the-counter options, debt-like securities and listed warrants shall be valued at the current market value thereof;
- h) where a covered clearing corporation option, option on futures or over-the-counter option is written, the premium received by the Evolve Fund shall be reflected as a deferred credit which shall be valued at an amount equal to the current market value of the clearing corporation option, option on futures or over-the-counter option that would have the effect of closing the position. Any difference resulting from revaluation shall be treated as an unrealized gain or loss on investment. The deferred credit shall be deducted in arriving at the NAV. The securities, if any, which are the subject of a written clearing corporation option or over-the-counter option shall be valued at their current market value;
- i) the value of a futures contract, forward contract or other Derivatives, such as swap contracts or options on financial futures, shall be the gain or loss with respect thereto that would be realized if, at the Valuation Time, the position in the futures contract, or the forward contract, as the case may be, were to be closed out in accordance with its terms, unless "daily limits" are in effect, in which case fair value shall be based on the current market value of the underlying interest;
- j) margin paid or deposited in respect of futures contracts and forward contracts shall be reflected as an account receivable and margin consisting of assets other than cash shall be noted as held as margin;
- k) translating amounts in a foreign currency to Canadian currency shall be based on the rate of exchange in effect on the applicable Valuation Date, as quoted by a recognized source, at the Manager's sole discretion;
- l) if any Valuation Date is not a business day in any jurisdiction which is relevant for the purposes of valuing investments of the Evolve Fund, the prices or quotations as of the preceding business day in such jurisdiction shall be used for the purposes of such valuation;
- m) any security purchased, the purchase price of which has not been paid, shall be included for valuation purposes as a security held, and the purchase price, including brokers' commissions and other expenses, shall be treated as a liability of the Evolve Fund;
- n) any security sold, but not delivered, pending receipt of the proceeds, shall be excluded for valuation purposes as a security held, and the selling price, net of brokers' commissions and other expenses, shall be treated as an asset of the Evolve Fund; and
- o) if any investment cannot be valued under the foregoing rules or if the foregoing rules are at any time considered by the Manager to be inappropriate under the circumstances, then notwithstanding the foregoing rules, the Manager shall make such valuation as it considers fair and reasonable.

Unless otherwise indicated, for purposes hereof, "current market value" means the most recently available sale price applicable to the relevant security on the principal exchange on which it is traded immediately preceding the Valuation Time on the Valuation Date, provided that, if no sale has taken place on a Valuation Date, the average of the bid and asked quotations immediately prior to the Valuation Time on the Valuation Date shall be used.

For the purposes of the foregoing valuation policies, quotations may be obtained from any report in common use, or from a reputable broker or other financial institutions, provided always that the Manager shall retain sole discretion to use such information and methods as it deems to be necessary or desirable for valuing the assets of the Evolve Fund, including the use of a formula computation.

If any investment cannot be valued under the foregoing rules or if the foregoing rules are at any time considered by the Manager to be inappropriate under the circumstances, then notwithstanding the foregoing rules, the Manager shall make such valuation as it considers fair and reasonable under the circumstances and, if there is an industry practice, in a manner consistent with such industry practice for valuing such investment.

Pursuant to NI 81-106, investment funds calculate their NAV using fair value for purposes of securityholder transactions. The Manager considers the policies above to result in fair valuation of the securities held by the Evolve Fund in accordance with NI 81-106 and such policies have been approved by the Board of Directors of the Manager.

Net assets of the Evolve Fund will continue to be calculated in accordance with the rules and policies of the Canadian Securities Administrators or any exemption therefrom that the Evolve Fund may obtain.

Although the purchases and redemptions of Units are recorded on a class basis, the assets attributable to all of the classes or series of the Evolve Fund are pooled to create one fund for investment purposes. Each class or series pays its proportionate share of Operating Expenses in addition to its Management Fee. The difference in Operating Expenses and Management Fees between each class means that each class has a different NAV per Unit.

Reporting of Net Asset Value

The Manager will publish the NAV and NAV per Unit for the Evolve Fund following the Valuation Time on the Valuation Date on its website at www.evolvefunds.com. This information will be available at no cost to the public.

ATTRIBUTES OF THE SECURITIES

Description of the Securities Distributed

The Evolve Fund is authorized to issue redeemable, transferable Unhedged Units and Hedged Units under this prospectus, each of which represents an undivided interest in the net assets of the Evolve Fund. Units of the Evolve Fund are denominated in Canadian dollars.

The Evolve Fund is authorized to issue an unlimited number of Units of each class. All Units of each class of the Evolve Fund have equal rights and privileges. The interest of each Unitholder in the Evolve Fund is shown by how many Units are registered in the name of such Unitholder. There is no fixed issue price. No Unit of a class of the Evolve Fund has any preference or priority over another Unit of the same class of the Evolve Fund.

On December 16, 2004, the *Trust Beneficiaries' Liability Act, 2004* (Ontario) came into force. This statute provides that holders of units of a trust are not, as beneficiaries, liable for any default, obligation or liability of the trust if, when the default occurs or the liability arises: (i) the trust is a reporting issuer under the *Securities Act* (Ontario); and (ii) the trust is governed by the laws of the Province of Ontario. The Evolve Fund is a reporting issuer under the *Securities Act* (Ontario) and the Evolve Fund is governed by the laws of Ontario by virtue of the provisions of the Declaration of Trust.

Certain Provisions of the Units

Each Unit entitles the holder thereof to one vote at meetings of Unitholders and to participate equally with all other Units of the same class of the Evolve Fund with respect to all payments made to Unitholders, other than Management Fee Distributions, including distributions of net income and net realized capital gains and, on liquidation, to participate equally in the net assets of the Evolve Fund remaining after satisfaction of any outstanding liabilities that are attributable to the Units of that class of the Evolve Fund. Notwithstanding the foregoing, the Evolve Fund may allocate and designate as payable certain capital gains to a Unitholder whose Units are being redeemed or exchanged as described under “Exchange and Redemption of Units – Allocations of Capital Gains to Redeeming or Exchanging Unitholders”. All Units will be fully paid, with no liability for future assessments, when issued and will not be transferable except by operation of law. Unitholders are entitled to require the Evolve Fund to redeem their Units as outlined under “Exchange and Redemption of Units – Redemption of Units of the Evolve Fund for Cash”.

Exchange of Units for Baskets of Securities

As set out under “Exchange and Redemption of Units – Exchange of Units of the Evolve Fund at NAV per Unit for Baskets of Securities and/or Cash”, Unitholders may exchange the applicable PNU (or an integral multiple thereof) of the Evolve Fund on any Trading Day for Baskets of Securities and/or cash, subject to the requirement that a minimum PNU be exchanged.

Redemptions of Units for Cash

On any Trading Day, Unitholders may redeem Units of any Evolve Fund for cash at a redemption price per Unit equal to 95% of the closing price of the applicable Units on the Designated Exchange, on the effective day of redemption, subject to a maximum redemption price per Unit equal to the NAV per Unit on the effective day of redemption, less any applicable administrative fee determined by the Manager, in its sole discretion, from time to time. Because Unitholders will generally be able to sell Units at the market price on the Designated Exchange, through a registered broker or dealer subject only to customary brokerage commissions, Unitholders are advised to consult their brokers, dealers or investment advisers before redeeming their Units for cash.

Modification of Terms

All rights attached to the Units may only be modified, amended or varied in accordance with the terms of the Declaration of Trust. See “Unitholder Matters – Amendments to the Declaration of Trust”.

The Manager may amend the Declaration of Trust from time to time to redesignate the name of the Evolve Fund or to create a new class or series of units of the Evolve Fund without notice to existing Unitholders.

Voting Rights in the Portfolio Securities

Holders of Units will not have any voting rights in respect of the securities in the Evolve Fund’s portfolio.

UNITHOLDER MATTERS**Meetings of Unitholders**

Meetings of Unitholders of the Evolve Fund will be held if called by the Manager or upon the written request to the Manager of Unitholders of the Evolve Fund holding not less than 25% of the then outstanding Units of the Evolve Fund.

Matters Requiring Unitholder Approval

NI 81-102 requires a meeting of Unitholders of the Evolve Fund to be called to approve certain changes as follows:

- (i) the basis of the calculation of a fee or expense that is charged to the Evolve Fund or its Unitholders is changed in a way that could result in an increase in charges to the Evolve Fund or to its Unitholders, except where (a) the Evolve Fund is at arm’s length with the person or company charging the fee; and (b) the Unitholders have received at least 60 days’ notice before the effective date of the change;
- (ii) a fee or expense, to be charged to the Evolve Fund or directly to its Unitholders by the Evolve Fund or the Manager in connection with the holding of Units that could result in an increase in charges to the Evolve Fund or its Unitholders, is introduced;
- (iii) the Manager is changed, unless the new manager of the Evolve Fund is an affiliate of the Manager;
- (iv) the fundamental investment objective of the Evolve Fund is changed;
- (v) the Evolve Fund decreases the frequency of the calculation of its NAV per Unit;
- (vi) other than a Permitted Merger (as defined below) for which Unitholder approval is not required, the Evolve Fund undertakes a reorganization with, or transfers its assets to, another mutual fund, if the Evolve Fund ceases to continue after the reorganization or transfer of assets and the transaction results in the Unitholders becoming securityholders in the other mutual fund;
- (vii) the Evolve Fund undertakes a reorganization with, or acquires assets from, another mutual fund, if the Evolve Fund continues after the reorganization or acquisition of assets, the transaction results in the securityholders of the other mutual fund becoming Unitholders, and the transaction would be a material change to the Evolve Fund; or
- (viii) any matter which is required by the constitutive documents of the Evolve Fund, by the laws applicable to the Evolve Fund or by any agreement to be submitted to a vote of the Unitholders.

In addition, the auditors of the Evolve Fund may not be changed unless the IRC of the Evolve Fund has approved the change and Unitholders have received at least 60 days’ notice before the effective date of the change.

Approval of Unitholders of any such matter will be given if a majority of the votes cast at a meeting of Unitholders duly called and held for the purpose of considering the same approve the related resolution.

Amendments to the Declaration of Trust

The Trustee may amend the Declaration of Trust from time to time but may not, without the approval of a majority of the votes of Unitholders of the Evolve Fund voting at a meeting of Unitholders duly called for such purpose, make any amendment relating to any matter in respect of which NI 81-102 requires a meeting, as set out above, or any amendment that will adversely affect the voting rights of Unitholders. All Unitholders of the Evolve Fund shall be bound by an amendment affecting the Evolve Fund from the effective date of the amendment.

Permitted Mergers

The Evolve Fund may, without Unitholder approval, enter into a merger or other similar transaction (a “**Permitted Merger**”) that has the effect of combining the Evolve Fund with any other investment fund or funds that have investment objectives, valuation procedures and fee structures that are similar to the Evolve Fund, subject to:

- (i) approval of the merger by the IRC;
- (ii) compliance with certain merger pre-approval conditions set out in NI 81-102; and
- (iii) written notice being sent to Unitholders at least 60 days before the effective date of the merger.

In connection with a Permitted Merger, the merging funds will be valued at their respective NAVs and Unitholders of the Evolve Fund will be offered the right to redeem their Units for cash at the applicable NAV per Unit.

Accounting and Reporting to Unitholders

The fiscal year-end of the Evolve Fund is December 31. The Evolve Fund will deliver or make available to Unitholders: (i) audited annual financial statements; (ii) unaudited interim financial statements; and (iii) annual and interim management reports of fund performance. Such documents are, or will be, incorporated by reference into, and form an integral part of, this prospectus. See “Documents Incorporated by Reference”.

Each Unitholder will also be mailed annually, by his, her or its broker, as and when required under applicable law, information necessary to enable such Unitholder to complete an income tax return with respect to amounts paid or payable by the Evolve Fund owned by such Unitholder in respect of the preceding taxation year of such Evolve Fund. Neither the Manager nor the Registrar and Transfer Agent is responsible for tracking the adjusted cost base of a Unitholder’s Units. Unitholders should consult with their tax or investment adviser in respect of how to compute the adjusted cost base of their Units and in particular how distributions made by the Evolve Fund to a Unitholder affect the Unitholder’s tax position. See “Income Tax Considerations”.

The Manager will ensure that the Evolve Fund complies with all applicable reporting and administrative requirements. The Manager will also ensure that adequate books and records are kept reflecting the activities of the Evolve Fund. A Unitholder or his, her or its duly authorized representative has the right to examine the books and records of the Evolve Fund during normal business hours at the offices of the Fund Administrator. Notwithstanding the foregoing, a Unitholder shall not have access to any information that, in the opinion of the Manager, should be kept confidential in the interests of the Evolve Fund.

International Information Reporting

The Tax Act includes provisions which implement the Organization for Economic Co-operation and Development Common Reporting Standard and the Canada-United States Enhanced Tax Information Exchange Agreement (the “**International Information Exchange Legislation**”). Pursuant to the International Information Exchange Legislation, certain “Canadian financial institutions” (as defined in the International Information Exchange Legislation) are required to have procedures in place, in general terms, to identify accounts held by residents of foreign countries or by certain entities organized in, or the “controlling persons” of which are resident in, a foreign country (or, in the case of the U.S., of which the holder or any such controlling person is a citizen or resident, including U.S. persons not residing in the U.S.) and to report required information to the CRA. Under the International Information Exchange Legislation, Unitholders may be required to provide certain information including citizenship, tax residence and tax identification numbers, which information may be required to be reported to the CRA unless the investment is held within a Plan. The FHSA Amendments do not address whether FHSAs would be treated in the same way as Plans for these purposes. Such information is exchanged by the CRA on a reciprocal, bilateral basis with the countries in which the account holder or any such controlling person is resident (or of which such holder or person is a citizen or resident, where applicable), where such countries (including the U.S.) have agreed to a bilateral information exchange with Canada to which the International Information Exchange Legislation applies.

TERMINATION OF THE EVOLVE FUND

The Evolve Fund may be terminated by the Manager on at least sixty (60) days’ notice to Unitholders of such termination and the Manager will issue a press release in advance thereof. The Manager may also terminate the Evolve Fund if the Trustee resigns or becomes incapable of acting and is not replaced. The rights of Unitholders to exchange

and redeem Units described under “Exchange and Redemption of Units” will cease as and from the date of termination of the Evolve Fund.

The Trustee shall be entitled to retain out of any assets of the Evolve Fund, at the date of termination of the Evolve Fund, full provision for all costs, charges, expenses, claims and demands incurred or believed by the Trustee to be due or to become due in connection with or arising out of the termination of the Evolve Fund and the distribution of its assets to the Unitholders of the Evolve Fund. Out of the moneys so retained, the Trustee is entitled to be indemnified and saved harmless against all costs, charges, expenses, claims and demands. Upon such termination, the portfolio securities, cash and other assets remaining after paying or providing for all liabilities and obligations of the Evolve Fund shall be distributed *pro rata* based on NAV among the Unitholders.

PLAN OF DISTRIBUTION

Units are being offered for sale on a continuous basis by this prospectus and there is no maximum number of Units that may be issued. The Units shall be offered for sale at a price equal to the NAV of such class of Units determined at the Valuation Time on the effective date of the subscription order.

Non-Resident Unitholders

At no time may (i) non-residents of Canada, (ii) partnerships that are not Canadian partnerships or (iii) a combination of non-residents of Canada and such partnerships (all as defined in the Tax Act) be the beneficial owners of a majority of the Units of the Evolve Fund (on either a number of Units or fair market value basis) and the Manager shall inform the Registrar and Transfer Agent of the Evolve Fund of this restriction. The Manager may require declarations as to the jurisdictions in which a beneficial owner of Units is resident and, if a partnership, its status as a Canadian partnership. If the Manager becomes aware, as a result of requiring such declarations as to beneficial ownership or otherwise, that the beneficial owners of 40% of the Units of the Evolve Fund then outstanding (on either a number of Units or fair market value basis) are, or may be, non-residents and/or partnerships that are not Canadian partnerships, or that such a situation is imminent, the Manager may make a public announcement thereof. If the Manager determines that more than 40% of the Units of the Evolve Fund (on either a number of Units or fair market value basis) are beneficially held by non-residents and/or partnerships that are not Canadian partnerships, the Manager may send a notice to such non-residents and/or partnerships, chosen in inverse order to the order of acquisition or in such manner as the Manager may consider equitable and practicable, requiring them to sell their Units or a portion thereof within a specified period of not less than 30 days. If the Unitholders receiving such notice have not sold the specified number of Units or provided the Manager with satisfactory evidence that they are not non-residents or partnerships other than Canadian partnerships within such period, the Manager may on behalf of such Unitholders sell such Units and, in the interim, shall suspend the voting and distribution rights attached to such Units. Upon such sale, the affected holders shall cease to be beneficial holders of Units and their rights shall be limited to receiving the net proceeds of sale of such Units.

Notwithstanding the foregoing, the Manager may determine not to take any of the actions described above if the Manager has been advised by legal counsel that the failure to take any of such actions would not adversely impact the status of the Evolve Fund as a mutual fund trust for purposes of the Tax Act or, alternatively, may take such other action or actions as may be necessary to maintain the status of the Evolve Fund as a mutual fund trust for purposes of the Tax Act.

DEALER COMPENSATION

How an investment professional and dealer are paid

An investment professional is usually the person through whom an investor purchases Units of the Evolve Fund. An investment professional could be a broker, financial planner or advisor who is registered to sell mutual funds. A dealer is the firm for which the investment professional works.

Trailing Commission

The Manager does not pay any dealer a commission for the purchase of Units. At the present time, the Manager is of the view that it is not necessary to impose any short-term trading restrictions on the Units. See “Exchange and Redemption of Units – Short-term Trading”.

Other forms of dealer support

The Manager may participate in co-operative advertising programs with dealers to help them market the Evolve Fund. The Manager may use part of the Management Fee to pay up to 50% of the cost of these advertising programs in accordance with rules set out in National Instrument 81-105 – *Mutual Fund Sales Practices*.

RELATIONSHIP BETWEEN THE EVOLVE FUND AND THE DEALERS

The Manager, on behalf of the Evolve Fund, may enter into various agreements with registered dealers (that may or may not be the Designated Broker) pursuant to which the Dealers may subscribe for Units of the Evolve Fund as described under “Purchases of Units”.

No Designated Broker or Dealer has been involved in the preparation of this prospectus or has performed any review of the contents of this prospectus and, as such, the Designated Broker and the Dealers do not perform many of the usual underwriting activities in connection with the distribution by the Evolve Fund of their units under this prospectus. Units of the Evolve Fund do not represent an interest or an obligation of the applicable Designated Broker, any Dealer or any affiliate thereof and a Unitholder does not have any recourse against any such parties in respect of amounts payable by the Evolve Fund to the Designated Broker or applicable Dealers. See “Organization and Management Details of the Evolve Fund – Conflicts of Interest”.

PRINCIPAL HOLDERS OF UNITS

CDS & Co., the nominee of CDS, is the registered owner of the Units of the Evolve Fund, which it holds for various brokers and other persons on behalf of their clients and others. From time to time, a Designated Broker, Dealer, Evolve Fund or another investment fund managed by the Manager or an affiliate thereof, may beneficially own, directly or indirectly, more than 10% of the Units of the Evolve Fund.

PROXY VOTING DISCLOSURE FOR PORTFOLIO SECURITIES HELD

The Manager has established policies and procedures with respect to the voting of proxies received from issuers of securities held in the Evolve Fund’s portfolio. Unless the Sub-Advisor’s proxy voting policies have been adopted, the Manager’s Proxy Voting Policy provides that the Manager will vote (or refrain from voting) proxies for the Evolve Fund for which it has voting power in the best economic interests of the Evolve Fund. The Proxy Voting Policy is not exhaustive and due to the variety of proxy voting issues that the Manager may be required to consider, are intended only to provide guidance and are not intended to dictate how proxies are to be voted in each instance. The Manager may depart from the Proxy Voting Policy in order to avoid voting decisions that may be contrary to the best interests of the Evolve Fund.

The Manager will publish these records on an annual basis on the Evolve Fund’s website at www.evolvefunds.com. The Evolve Fund’s proxy voting record for the annual period from July 1 to June 30 will be available at any time after August 31 following the end of that annual period, to any Unitholder on request, at no cost, and will also be available at www.evolvefunds.com.

The Manager has delegated the right and obligation to vote proxies relating to the portfolio securities of the Evolve Fund to the Sub-Advisor as part of its respective portfolio management responsibilities.

Proxy Voting Policies for Slate Securities L.P.

In respect of the Evolve Fund for which Slate Securities L.P. has been appointed as sub-advisor, pursuant to the terms of the Slate Sub-Advisory Agreement, Presima is authorized to exercise all rights and privileges incidental to ownership of the securities comprising the portfolio of the Evolve Fund in accordance with Presima’s proxy voting policy, which has been or will be adopted for the voting of proxies in compliance with applicable legislation. Presima has adopted a proxy voting policy to ensure that proxies are voted in the best interest of its clients.

MATERIAL CONTRACTS

The only contracts material to the Evolve Fund are the Declaration of Trust, Custodian Agreement and the Slate Sub-Advisory Agreement.

Copies of these agreements may be examined at the head office of the Manager at Scotia Plaza, 40 King Street West, Suite 3404, Toronto, ON M5H 3Y2.

LEGAL AND ADMINISTRATIVE PROCEEDINGS

The Evolve Fund is not involved in any legal proceedings, nor is the Manager aware of existing or pending legal or arbitration proceedings involving the Evolve Fund.

EXPERTS

The auditors of the Evolve Fund, Ernst & Young LLP, Chartered Professional Accountants, Licensed Public Accountants, have audited the statement of financial position contained herein. Ernst & Young LLP has advised that it is independent with respect to the Evolve Fund within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario.

EXEMPTIONS AND APPROVALS

The Manager, on behalf of the Evolve Fund, has obtained exemptive relief from the Securities Regulatory Authorities:

- (a) to permit a Unitholder to acquire more than 20% of the Units through purchases on the Designated Exchange, without regard to the takeover bid requirements of applicable Canadian Securities Legislation. See “Purchases of Units – Special Considerations for Unitholders”; and
- (b) to relieve the Evolve Fund from the requirement that a prospectus contain a certificate of the underwriters.

PURCHASERS’ STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase exchange traded mutual fund securities within 48 hours after the receipt of a confirmation of a purchase of such securities. In several of the provinces and territories of Canada, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation, or for non-delivery of the ETF Facts, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province or territory.

The purchaser should refer to the applicable provisions of the securities legislation of the province or territory for the particulars of these rights or should consult with a legal adviser.

DOCUMENTS INCORPORATED BY REFERENCE

Additional information about the Evolve Fund is, or will be, available in the following documents:

- (i) the most recently filed ETF Facts and Fund Facts of the Evolve Fund;
- (ii) the most recently filed comparative annual financial statements of the Evolve Fund, together with the accompanying report of the auditors;
- (iii) any unaudited interim financial statements of the Evolve Fund filed after the most recently filed comparative annual financial statements of the Evolve Fund;
- (iv) the most recently filed annual MRFP of the Evolve Fund; and
- (v) any interim MRFP of the Evolve Fund filed after that most recently filed annual MRFP of the Evolve Fund.

These documents are or will be incorporated by reference into this prospectus, which means that they legally form part of this document just as if they were printed as part of this document.

These documents are available on the Manager's website at www.evolvefunds.com or by contacting the Manager at (416)-214-4884 or toll-free at 1-844-370-4884 or by email at info@evolvefunds.com. These documents and other information about the Evolve Fund are available on the Internet at www.sedar.com.

In addition to the documents listed above, any documents of the type described above that are filed on behalf of the Evolve Fund after the date of this prospectus and before the termination of the distribution of the Evolve Fund are deemed to be incorporated by reference into this prospectus

INDEPENDENT AUDITORS' REPORT

To the Unitholder and Manager of
Evolve Slate Global Real Estate Enhanced Yield Fund (the "Evolve Fund")

Opinion

We have audited the financial statement of the Evolve Fund, which comprises the statement of financial position as at September 13, 2022 and notes to the financial statement, including a summary of significant accounting policies.

In our opinion, the accompanying financial statement presents fairly, in all material respects, the financial position of the Evolve Fund as at September 13, 2022 in accordance with those requirements of International Financial Reporting Standards (IFRSs) relevant to preparing such financial statement.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statement* section of our report. We are independent of the Evolve Fund in accordance with the ethical requirements that are relevant to our audit of the financial statement in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statement

Management is responsible for the preparation and fair presentation of the financial statement in accordance with those requirements of IFRSs relevant to preparing such financial statement, and for such internal control as management determines is necessary to enable the preparation of a financial statement that is free from material misstatement, whether due to fraud or error.

In preparing the financial statement, management is responsible for assessing the Evolve Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Evolve Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Evolve Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial statement.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Evolve Fund's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Evolve Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Evolve Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statement, including the disclosures, and whether the financial statement represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

(Signed) "*Ernst & Young LLP*"

Chartered Professional Accountants

Licensed Public Accountants

Toronto, Canada

September 13, 2022

EVOLVE SLATE GLOBAL REAL ESTATE ENHANCED YIELD FUND

STATEMENT OF FINANCIAL POSITION

As at September 13, 2022

ASSETS

Current Assets

| | |
|-----------|------|
| Cash..... | \$10 |
|-----------|------|

| | |
|---------------------|-------------|
| Total Assets | \$10 |
|---------------------|-------------|

NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS (Units issued and redeemable)

| | |
|---|------|
| Net assets attributable to holders of redeemable units (1 Hedged Unit)..... | \$10 |
|---|------|

NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER HEDGED UNIT

| | |
|-------|------|
| | \$10 |
|-------|------|

The accompanying notes are an integral part of this statement of financial position.

EVOLVE SLATE GLOBAL REAL ESTATE ENHANCED YIELD FUND

Notes to the Financial Statement

September 13, 2022

1. General Information

The Evolve Fund is an exchange traded mutual fund established under the laws of the Province of Ontario, pursuant to the terms of the Declaration of Trust. The Evolve Fund is a mutual fund under the securities legislation of the provinces and territories of Canada. Evolve Funds Group Inc. is the promoter, trustee, manager and investment manager of the Evolve Fund and is responsible for the administration of the Evolve Fund.

The investment objective of the Evolve Fund is to provide a recurring income level consistent with the underlying rental income derived from properties owned by the publicly listed real estate issuers held by the Evolve Fund. The Evolve Fund targets a yield return in excess of the yield return of the FTSE EPRA/NAREIT Developed Index. The Evolve Fund aims to achieve a level of volatility which is lower than the volatility of the FTSE EPRA/NAREIT Developed Index measured by using the standard deviation of returns. The expected return will be derived from the yield return but also from capital appreciation and potentially other yield enhancing strategies.

The principal office of the Evolve Fund and Evolve Funds Group Inc. is located at Scotia Plaza, 40 King Street West, Suite 3404, Toronto, ON M5H 3Y2.

The financial statement as at September 13, 2022 was authorized for issue by the Manager on September 13, 2022.

2. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of the financial statement are set out below.

2.1 Basis of Preparation

The financial statement of the Evolve Fund has been prepared in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB), relevant to preparing a statement of financial position. The financial statement of the Evolve Fund has been prepared under the historical cost convention.

2.2 Functional and Presentation Currency

The financial statement of the Evolve Fund is presented in Canadian dollars, which is the functional and presentation currency of the Evolve Fund.

2.3 Financial Instruments

The Evolve Fund recognizes financial instruments at fair value upon initial recognition, plus transaction costs in the case of financial instruments measured at amortized cost. Regular way purchases and sales of financial assets are recognized at their trade date.

Cash comprises amounts held in trust with the custodian of the Evolve Fund and is stated at fair value.

2.4 Redeemable Units

The Evolve Fund is authorized to issue an unlimited number of classes and series of redeemable, transferable units, each of which represents an undivided interest in the net assets of that class of the Evolve Fund (the “**Units**”). The Units are classified as financial liabilities in accordance with the requirements of International Accounting Standard 32, Financial Instruments: Presentation.

3. **Fair Value**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The carrying values of cash and the obligation of the Evolve Fund for net assets attributable to holders of redeemable units approximate their fair values due to their short-term nature.

4. **Risks associated with financial instruments**

The Evolve Fund's overall risk management program seeks to maximize the returns derived for the level of risk to which the Evolve Fund is exposed and seeks to minimize potential adverse effects on the Evolve Fund's financial performance.

4.1 *Credit risk*

The Evolve Fund is exposed to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. As at September 13, 2022, the credit risk is considered limited as the cash balance was held in trust by the custodian of the Evolve Fund.

4.2 *Liquidity risk*

Liquidity risk is the risk that the Evolve Fund will encounter difficulty in meeting obligations associated with financial liabilities. The Evolve Fund maintains sufficient cash on hand to fund anticipated redemptions.

5. **Capital Risk Management**

The capital of the Evolve Fund is represented by the net assets attributable to holders of Units. The amount of net assets attributable to holders of redeemable units can change.

6. **Authorized units**

The Evolve Fund is authorized to issue an unlimited number of redeemable, transferable Units, each of which represents an undivided interest in the net assets of the Evolve Fund.

Each Unit entitles the owner to one vote at meetings of Unitholders and is entitled to participate equally with all other Units with respect to all payments made to Unitholders, other than management fee distributions, including distributions of net income and net realized capital gains and, on liquidation, to participate equally in the net assets of the Evolve Fund remaining after satisfaction of any outstanding liabilities that are attributable to Units. All Units are fully paid, with no liability for future assessments, when issued and will not be transferable except by operation of law.

In accordance with the objectives outlined in Note 1 and the risk management policies in Note 4, the Evolve Fund endeavours to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemptions.

The Manager has initially purchased one Canadian dollar denominated unhedged Unit and one Canadian dollar denominated hedged Unit of the Evolve Fund.

7. **Management Fees and other expenses**

The Evolve Fund will pay an annual management fee (the "**Management Fee**") to the Manager equal to 0.75% of the net asset value ("**NAV**") of the Evolve Fund, calculated daily and payable monthly in arrears, plus applicable taxes.

Subject to waiver or reimbursement by the Manager, the Evolve Fund pays for its Operating Expenses, including but not limited to: mailing and printing expenses for periodic reports to Unitholders; fees payable to the 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 Evolve 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 Evolve Fund; regulatory filing, stock exchange and licensing fees and CDS fees; Fundserv fees (if applicable); banking and interest with respect to any borrowing (if applicable); website maintenance costs; 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 Evolve Fund's activities. The Manager is not obligated to pay any other expense, cost or fee, including those arising from new government or regulatory requirements relating to the foregoing expenses, costs and fees.

Subject to compliance with NI 81-102, the fund expenses which are payable by the Evolve Fund include any taxes payable by the Evolve Fund to which the Evolve Fund may be subject, including income taxes, sales taxes (including GST/HST) and/or withholding taxes (including preparation costs of such tax filings); expenditures incurred upon termination of the Evolve Fund; extraordinary expenses that the Evolve Fund may incur and all amounts paid on account of any indebtedness (if applicable); any expenses of insurance and costs of all suits or legal proceedings in connection with the Evolve Fund or the assets of the Evolve Fund or to protect the Unitholders, the Trustee, the Manager, and the directors, officers, employees or agents of any of them; any expenses of indemnification of the Trustee, the Unitholders, the Manager and the directors, officers, employees or agents of any of them to the extent permitted under the Declaration of Trust; and expenses relating to the preparation, printing and mailing of information to Unitholders in connection with meetings of Unitholders. The Evolve Fund is also responsible for all commissions and other costs of portfolio transactions and any extraordinary expenses of the Evolve Fund which may be incurred from time to time.

CERTIFICATE OF THE EVOLVE FUND, THE MANAGER AND PROMOTER

Dated: September 13, 2022

This prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of each of the provinces and territories of Canada.

EVOLVE FUNDS GROUP INC.

(As manager, trustee and promoter and on behalf of the Evolve Fund)

(signed) "*Raj Lala*"

Raj Lala

Chief Executive Officer of Evolve Funds Group Inc., the
Manager, Trustee and Promoter of the Evolve Fund, and
on behalf of the Evolve Fund

(signed) "*Scharlet Diradour*"

Scharlet Diradour

Chief Financial Officer of Evolve Funds Group Inc.,
the Manager, Trustee and Promoter of the Evolve
Fund, and on behalf of the Evolve Fund

On behalf of the Board of Directors
of Evolve Funds Group Inc.

(signed) "*Keith Crone*"

Keith Crone

Director

(signed) "*Elliot Johnson*"

Elliot Johnson

Director