

# US Premium Cash Management Fund

June 30, 2024

Interim Management Report of Fund Performance

This interim management report of fund performance contains financial highlights but does not contain the complete interim financial statements of the investment fund. You can get a copy of the interim financial statements at your request, and at no cost, by calling 1-844-370-4884, by writing to us at Evolve Funds, 40 King Street West, Suite 3404, Toronto, ON, M5H 3Y2 or by visiting our website at [www.evolveetfs.com](http://www.evolveetfs.com) or SEDAR at [www.sedar.com](http://www.sedar.com). You may also contact us using one of these methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

# US Premium Cash Management Fund

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## Investment Objective and Strategies

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The US Premium Cash Management Fund (the "Fund") seeks to maximize current income, while at the same time preserving capital and maintaining liquidity, by investing primarily in U.S. dollar-denominated high-quality short term debt securities (with a term to maturity of 365 days or less).

## Risk

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

## Results of Operations

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For the six-month period ended June 30, 2024, Unhedged ETF Units returned 2.8%. The Unhedged Class A Mutual Fund Units returned 2.6% and the Unhedged Class F Mutual Fund Units returned 2.8%. The Fund's net assets were \$37.1MM as at June 30, 2024.

## Portfolio Manager Commentary

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Throughout the first half of 2024, the U.S. money market was shaped by the Federal Reserve's monetary policy stance and inflation trends. During the period, the Federal Reserve held the Federal Funds Rate steady at a two-decade high of 5.25% to 5.50% following a series of rate hikes which took place from March of 2022 to July of 2023<sup>1,2</sup>. As of the latest Federal Open Market Committee (FOMC) meeting on June 12<sup>th</sup>, the Federal Reserve unanimously voted to hold policy rates steady for the seventh consecutive time<sup>3</sup>.

Early in the year, inflation data painted a concerning picture, leading to increased volatility in bond markets and rising yields<sup>3</sup>. Investors reacted to this uncertainty by adjusting their expectations, contributing to the market's heightened sensitivity to inflation indicators. As the months progressed, new data began to indicate a downward trend in inflation, rekindling investor optimism that a rate cut might be imminent. This shift in sentiment was particularly pronounced in May when the Consumer Price Index (CPI) remained flat as compared to the prior month and was lower than expected<sup>4</sup>. This development spurred hopes that the Federal Reserve might soon begin a cycle of rate cuts to further support the U.S. economy.

Despite these optimistic signs, Federal Reserve Chairman Jerome Powell emphasized the need for sufficient and consistent data before considering any rate cuts. He reiterated that premature rate reductions could undermine the significant progress made in combating inflation, signaling the Federal Reserve's commitment to a cautious and data-driven approach.

(1) <https://www.bloomberg.com/news/articles/2024-06-12/fed-officials-dial-back-rate-forecasts-signal-just-one-24-cut?srnd=homepage-canada>

(2) <https://fred.stlouisfed.org/data/FEDFUNDS>

(3) <https://privatebank.jpmorgan.com/apac/en/insights/markets-and-investing/cio-second-quarter-2024-investment-review>

(4) <https://www.cnbc.com/2024/06/12/cpi-report-june-inflation.html>

## Recent Developments

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There are no known changes at this time to the investment strategy of the Fund or the Manager.

## Related Party Transactions

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Evolve Funds Group Inc. (the "Manager") complies with its current policy and procedures regarding investments in related issuers and reports periodically to the Investment Review Committee.

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## Management Fees

The Manager is entitled to an annual management fee of 0.20% of the net asset value of the Unhedged ETF Units and the Unhedged Class F Mutual Fund Units and 0.45% of the net asset value of the Unhedged Class A Mutual Fund Units of the Fund, accrued daily and generally paid monthly in arrears. The Manager has waived the management fee on the Unhedged ETF Units and the Unhedged Class F Mutual Fund Units of the Fund from February 2, 2024 until June 30, 2024. The Manager has reduced the management fee on the Unhedged Class A Mutual Fund Units of the Fund to the amount of the trailing commission payable to a unitholder's dealer from February 2, 2024 until June 30, 2024. The effective annual management fee for the Unhedged Class A Mutual Fund Units is 0.25%. For the six-month period ended June 30, 2024, the Fund incurred \$12,123 in management fees. These management fees were received by the Manager for the day-to-day operations of the fund, including managing the portfolio, maintaining portfolio systems used to manage the Fund, maintaining the www.evolveetfs.com website, and providing all other services including marketing and promotion.

## Administration Fees

The administration fees are calculated based on 0.05% per annum of the average daily net asset value of the Fund. The fees are accrued daily and are generally paid monthly. For the six-month period ended June 30, 2024, the Fund incurred \$7,158 in administration fees. These administration fees were received by the Manager for the following operating expenses of the Fund including but not limited to: mailing and printing expenses for periodic reports to unitholders; Registrar and Transfer Agent and Custodian; any reasonable out of pocket expenses incurred by the Manager or its agents in connection with their ongoing obligations to the Fund; IRC committee member fees and expenses in connection with the IRC; expenses related to compliance with NI 81-107; fees and expenses relating to voting of proxies by a third party; insurance coverage for the members of the IRC; fees payable to the auditors and legal advisors of the Fund; regulatory filing, stock exchange and licensing fees and CDS fees; costs and expenses of complying with all applicable laws, regulations and policies, including expenses and costs incurred in connection with the continuous public filing requirements such as permitted prospectus preparation and filing expenses; and legal, accounting and audit fees and fees and expenses of the Trustee, Custodian and Manager which are incurred in respect of matters not in the normal course of the Fund's activities. The administration fee paid to the Manager by the Fund may, in any particular period, be less than or exceed the operating expenses that the Manager incurs for the Fund.

## Financial Highlights

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

### The Fund's Net Assets Per Unit<sup>1</sup>

	June 30, 2024 (\$)	December 31, 2023 (\$)
For the periods ended:		
<b>Unhedged ETF Units - Net Assets per Unit</b>		
Net Assets per Unit, beginning of period	100.06	100.01
<b>Increase (decrease) from operations:</b>		
Total revenue	2.80	3.31
Total expenses	(0.05)	(0.03)
Realized gains (losses)	-	(0.01)
Unrealized gains (losses)	0.01	-
<b>Total increase (decrease) from operations<sup>2</sup></b>	<b>2.76</b>	<b>3.27</b>
<b>Distributions:</b>		
From income (excluding dividends)	(2.76)	(3.05)
From capital gains	-	(0.14)
<b>Total annual distributions<sup>3</sup></b>	<b>(2.76)</b>	<b>(3.19)</b>
<b>Net Assets per Unit, end of period</b>	<b>100.06</b>	<b>100.06</b>

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

	June 30, 2024 (\$)	December 31, 2023 (\$)
For the periods ended:		
<b>Unhedged Class A - Net Assets per Unit</b>		
Net Assets per Unit, beginning of period	10.00	10.00
<b>Increase (decrease) from operations:</b>		
Total revenue	0.28	0.33
Total expenses	(0.02)	(0.02)
<b>Total increase (decrease) from operations<sup>2</sup></b>	<b>0.26</b>	<b>0.31</b>
<b>Distributions:</b>		
From income (excluding dividends)	(0.26)	(0.27)
<b>Total annual distributions<sup>3</sup></b>	<b>(0.26)</b>	<b>(0.27)</b>
<b>Net Assets per Unit, end of period</b>	<b>10.00</b>	<b>10.00</b>
<b>Unhedged Class F - Net Assets per Unit</b>		
Net Assets per Unit, beginning of period	10.00	10.00
<b>Increase (decrease) from operations:</b>		
Total revenue	0.28	0.33
<b>Total increase (decrease) from operations<sup>2</sup></b>	<b>0.28</b>	<b>0.33</b>
<b>Distributions:</b>		
From income (excluding dividends)	(0.28)	(0.29)
<b>Total annual distributions<sup>3</sup></b>	<b>(0.28)</b>	<b>(0.29)</b>
<b>Net Assets per Unit, end of period</b>	<b>10.00</b>	<b>10.00</b>

- 1 This information is derived from the Fund's unaudited interim financial statements as at June 30, 2024, and the audited annual financial statements as at December 31, 2023. The Unhedged ETF Units, and the Unhedged Class A and F Mutual Fund Units effectively began operations on May 26, 2023.
- 2 Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of units outstanding over the period.
- 3 Distributions were paid in cash or reinvested in additional units of the Fund, or both. Actual distributions may vary slightly owing to rounding.

## The Fund's Ratios/Supplemental Data

	June 30, 2024	December 31, 2023
For the periods ended:		
<b>Unhedged ETF Units - Ratios/Supplemental Data</b>		
Total Net Asset Value (\$) <sup>4</sup>	5,002,943	5,003,088
Number of units outstanding <sup>4</sup>	50,000	50,000
Management expense ratio <sup>5,7</sup>	0.10%	0.06%
Trading expense ratio <sup>6</sup>	0.00%	0.00%
Net Asset Value per unit (\$)	100.06	100.06
Closing market price (\$)	100.09	100.11
<b>Unhedged Class A - Ratios/Supplemental Data</b>		
Total Net Asset Value (\$) <sup>4</sup>	9,408,185	947,977
Number of units outstanding <sup>4</sup>	940,547	94,770
Management expense ratio <sup>5,7</sup>	0.36%	0.34%
Trading expense ratio <sup>6</sup>	0.00%	0.00%
Net Asset Value per unit (\$)	10.00	10.00

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

For the periods ended:	June 30, 2024	December 31, 2023
<b>Unhedged Class F - Ratios/Supplemental Data</b>		
Total Net Asset Value (\$) <sup>4</sup>	22,679,838	328,416
Number of units outstanding <sup>4</sup>	2,267,294	32,831
Management expense ratio <sup>5,7</sup>	0.06%	0.60%
Trading expense ratio <sup>6</sup>	0.00%	0.00%
Net Asset Value per unit (\$)	10.00	10.00

4 This information is provided as at June 30, 2024, and December 31, 2023.

5 Management expense ratio ("MER") is based on total expenses plus harmonized sales tax (excluding distributions, commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period.

6 The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of average daily net assets during the period.

7 The Manager has waived the management fee on the Unhedged ETF Units and the Unhedged Class F Mutual Fund Units of the Fund from February 2, 2024 until June 30, 2024. The Manager has reduced the management fee on the Unhedged Class A Mutual Fund Units of the Fund to the amount of the trailing commission payable to a unitholder's dealer from February 2, 2024 until June 30, 2024. The effective annual management fee for the Unhedged Class A Mutual Fund Units is 0.25%.

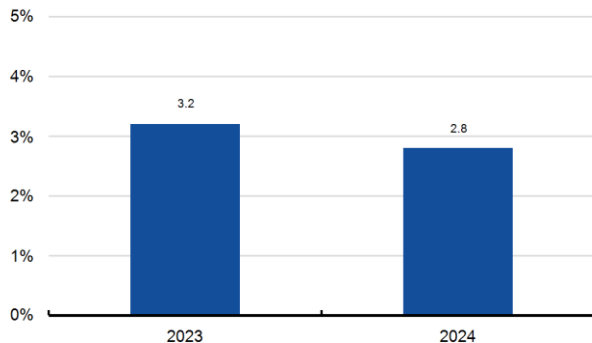
## Past Performance

The performance information does not take into account sales, redemption, distribution, income taxes payable by any unitholder or other optional charges that, if applicable, would have reduced returns or performance. The performance information shown assumes that all distributions made by the investment Fund in the periods shown were reinvested in additional securities of the investment fund. How the Fund has performed in the past does not necessarily indicate how it will perform in the future.

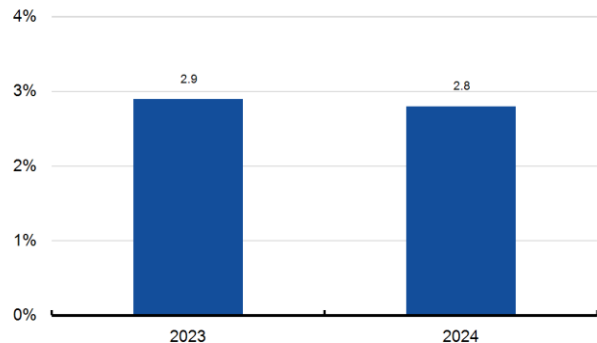
## Year-by-Year Returns

The bar chart below shows the Unhedged ETF Units' and the Unhedged Class A and F Mutual Fund Units' performance for each of the financial years shown and for the six-month period ended June 30, 2024. The chart shows, in percentage terms, how much an investment made in the Fund on the first day of each financial period would have grown or decreased by the last day of that financial period.

**MUSD/U Unhedged ETF Units<sup>1</sup>**



**Unhedged Class A Mutual Fund Units<sup>2</sup>**



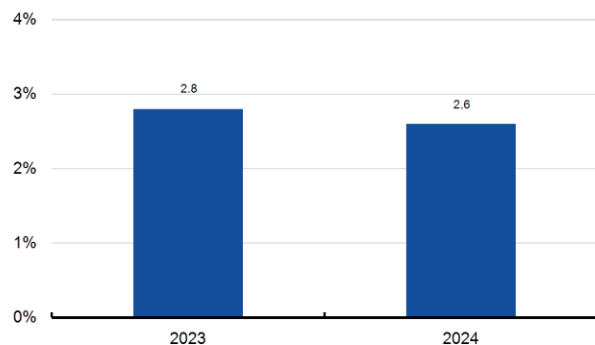
1 The Unhedged ETF Units of the Fund effectively began operations on May 26, 2023.

2 The Unhedged Class A Mutual Fund Units of the Fund effectively began operations on May 26, 2023.

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



<sup>3</sup> The Unhedged Class F Mutual Fund Units of the Fund effectively began operations on May 26, 2023.

## Summary of Investment Portfolio

### All Positions

	Percentage of Net Asset Value (%)
Security	
Banner Trust, 5.597%, 12/27/2024	5.2
Stable Trust, 5.677%, 9/23/2024	4.7
Banner Trust, 4.746%, 7/12/2024	4.7
Safe Trust, 5.758%, 11/12/2024	4.5
Sound Trust, 5.678%, 8/9/2024	4.5
Fusion Trust, 5.699%, 8/29/2024	4.3
Zeus Receivables Trust, 5.617%, 8/12/2024	4.3
Prime Trust, 5.597%, 12/27/2024	3.6
Zeus Receivables Trust, 5.749%, 11/13/2024	3.4
CDN Master Trust, 5.49%, 7/10/2024	3.4
Merit Trust, 5.638%, 8/27/2024	3.2
Sound Trust, 5.677%, 9/20/2024	3.2
Sure Trust, 5.677%, 9/20/2024	3.2
Reliant Trust, 5.728%, 10/28/2024	2.9
Merit Trust, 5.607%, 7/12/2024	2.7
Reliant Trust, 5.607%, 7/12/2024	2.7
Prime Trust, 5.738%, 7/22/2024	2.7
Reliant Trust, 5.738%, 7/22/2024	2.7
Ridge Trust, 5.678%, 7/29/2024	2.7
Safe Trust, 5.575%, 8/16/2024	2.7
CDN Master Trust, 5.659%, 9/10/2024	2.7
Fusion Trust, 5.769%, 10/30/2024	2.6
Safe Trust, 5.798%, 10/30/2024	2.6
CDN Master Trust, 5.718%, 11/1/2024	2.6
Prime Trust, 5.597%, 12/13/2024	2.3
<b>Total</b>	<b>84.1</b>

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## Industry Allocation

Portfolio by Category	Percentage of Net Asset Value (%)
<b>Short-Term Investments</b>	
Bearer Deposit Notes	1.5
Commercial Paper	97.1
Treasury Bills	1.7
Cash and Cash Equivalents	0.1
Other Assets, less Liabilities	(0.4)
<b>Total</b>	<b>100.0</b>

The summary of Investment Portfolio may change due to the ongoing portfolio transactions of the Fund. Updates are available quarterly by visiting our website at [www.evolveetfs.com](http://www.evolveetfs.com).



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