

# Evolve NASDAQ Technology Index 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.

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## Investment Objective and Strategies

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The Evolve NASDAQ Technology Index Fund (the "Fund") seeks to replicate, to the extent reasonably possible and before fees and expenses, the performance of the NASDAQ-100 Technology Sector Adjusted Market-Cap Weighted™ Index, or any successor thereto.

## Risk

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Effective April 25, 2024, the risk rating of the Hedged, Unhedged, and US Dollar Unhedged ETF Units of the Fund was changed from "Medium to High" to "High". 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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Since the Hedged, Unhedged, and US Dollar Unhedged ETF Units of the Fund effectively began operations on July 11, 2023, and the Hedged Class A and F Mutual Fund Units effectively began operations on June 5, 2024, no performance data can be shown. The Fund's net assets were \$52.2MM as at June 30, 2024.

## Portfolio Manager Commentary

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Throughout the first six months of 2024, the Fund performed strongly on the back of a rally in the technology sector during the period. In fact, the NASDAQ composite returned 18.6% in the first half of the year<sup>1</sup>, driven by strong performances from big technology companies such as NVIDIA, Apple, and Amazon. Much of this growth can be attributed to strong earnings results and developments in Artificial Intelligence (AI).

The Fund's growth was predominantly driven by NVIDIA, which became the largest publicly traded company in the world during the period, surpassing the likes of Microsoft<sup>2</sup>. In June, NVIDIA received another boost to its' stock price after it unveiled its next generation of AI chips, just months after announcing its previous model. This quick turnaround highlights the competitive frenzy of the AI chip market and NVIDIA's sprint to maintain its leadership role in the space<sup>3</sup>. Additionally, during its fiscal first quarter 2025 earnings release, the company announced a 10-for-1 stock split which further bolstered gains. Other semiconductor firms including Broadcom and Micron Technology also enjoyed a strong first half of the year, with demand for their chips surging alongside NVIDIA's<sup>4</sup>.

Apple struggled earlier in the year due to reports of declining iPhone sales in China<sup>5</sup>. However, the company managed to turn its stock around after unveiling its plans to expand its involvement in the AI space at the Worldwide Developers Conference (WWDC) in June, in which it announced Apple Intelligence, Siri with ChatGPT, iOS 18 and more<sup>6</sup>.

Overall, the technology sector drove market returns in the first half of 2024 and is poised to continue its strong performance throughout the remainder of the year. The combination of innovation, particularly in the AI space, and strong market leadership by key technology companies underscores the sector's critical role in driving economic growth and investment returns.

## Performance Attribution

For the six-month period ending June 30, 2024, NVIDIA Corporation made the biggest contribution to the Fund, followed by Broadcom Inc. By weight, the Fund's largest holdings were NVIDIA Corporation, Apple Inc., and Meta Platforms, Inc.

(1) [https://www.nasdaq.com/articles/first-half-2024-review-and-outlook#:~:text=All%20but%20one%20of%20the,500%20\(%2B15.3%25\)%20indices](https://www.nasdaq.com/articles/first-half-2024-review-and-outlook#:~:text=All%20but%20one%20of%20the,500%20(%2B15.3%25)%20indices)

(2) <https://www.cnbc.com/2024/06/18/nvidia-passes-microsoft-in-market-cap-is-most-valuable-public-company.html>

(3) <https://www.cnbc.com/2024/06/02/nvidia-next-generation-ai-chips-rubin-blackwell.html>

(4) <https://www.reuters.com/technology/broadcom-soars-demand-ai-chips-power-forecast-raise-2024-06-13/>

(5) <https://www.bnnbloomberg.ca/apple-reports-first-sales-gain-in-a-year-despite-slump-in-china-1.2029724>

(6) <https://www.cnbc.com/2024/06/11/apple-shares-pop-to-record-high-after-company-unveils-ai-software.html>

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## Recent Developments

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

## Related Party Transactions

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

## Management Fees

The Manager is entitled to an annual management fee of 0.25% of the net asset value of the Hedged, Unhedged, and US Dollar Unhedged ETF Units and the Hedged Class F Mutual Fund Units and 1.25% of the net asset value of the Hedged Class A Mutual Fund Units of the Fund, accrued daily and generally paid monthly in arrears. For the six-month period ended June 30, 2024, the Fund incurred \$36,603 in management fees. These management fees were received by the Manager for the day-to-day operations of the fund, including managing the portfolio, maintaining portfolio systems used to manage the Fund, maintaining the www.evolveetfs.com website, and providing all other services including marketing and promotion.

## Administration Fees

The administration fees are calculated based on 0.15% per annum of the average daily net asset value of the Fund. The fees are accrued daily and are generally paid monthly. For the six-month period ended June 30, 2024, the Fund incurred \$22,457 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	23.46	20.00
<b>Increase (decrease) from operations:</b>		
Total revenue	0.09	0.07
Total expenses	(0.10)	(0.07)
Realized gains (losses)	1.85	1.69
Unrealized gains (losses)	5.42	2.02
<b>Total increase (decrease) from operations<sup>3</sup></b>	<b>7.26</b>	<b>3.71</b>
<b>Distributions:</b>		
From income (excluding dividends)	(0.06)	-
Return of capital	-	(0.06)
<b>Total annual distributions<sup>4</sup></b>	<b>(0.06)</b>	<b>(0.06)</b>
<b>Net Assets per Unit, end of period</b>	<b>31.70</b>	<b>23.46</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>Hedged ETF Units - Net Assets per Unit</b>		
Net Assets per Unit, beginning of period	23.34	20.00
<b>Increase (decrease) from operations:</b>		
Total revenue	0.09	0.07
Total expenses	(0.10)	(0.07)
Realized gains (losses)	1.32	1.97
Unrealized gains (losses)	5.76	3.41
<b>Total increase (decrease) from operations<sup>3</sup></b>	<b>7.07</b>	<b>5.38</b>
<b>Distributions:</b>		
From income (excluding dividends)	(0.06)	-
From dividends	-	(0.01)
Return of capital	-	(0.05)
<b>Total annual distributions<sup>4</sup></b>	<b>(0.06)</b>	<b>(0.06)</b>
<b>Net Assets per Unit, end of period</b>	<b>30.43</b>	<b>23.34</b>
<b>US Dollar Unhedged ETF Units - Net Assets per Unit<sup>5</sup></b>		
Net Assets per Unit, beginning of period	31.04	26.47
<b>Increase (decrease) from operations:</b>		
Total revenue	0.12	0.09
Total expenses	(0.13)	(0.09)
Realized gains (losses)	2.67	1.73
Unrealized gains (losses)	8.24	2.79
<b>Total increase (decrease) from operations<sup>3</sup></b>	<b>10.90</b>	<b>4.52</b>
<b>Distributions:</b>		
From income (excluding dividends)	(0.08)	-
Return of capital	-	(0.08)
<b>Total annual distributions<sup>4</sup></b>	<b>(0.08)</b>	<b>(0.08)</b>
<b>Net Assets per Unit, end of period</b>	<b>41.95</b>	<b>31.04</b>
<b>Hedged Class A - Net Assets per Unit</b>		
Net Assets per Unit, beginning of period <sup>2</sup>	20.64	N/A
<b>Increase (decrease) from operations:</b>		
Total revenue	0.02	N/A
Total expenses	(0.03)	N/A
Realized gains (losses)	0.85	N/A
Unrealized gains (losses)	(1.36)	N/A
<b>Total increase (decrease) from operations<sup>3</sup></b>	<b>(0.52)</b>	<b>N/A</b>
<b>Net Assets per Unit, end of period</b>	<b>21.55</b>	<b>N/A</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>Hedged Class F - Net Assets per Unit</b>		
Net Assets per Unit, beginning of period <sup>2</sup>	20.64	N/A
<b>Increase (decrease) from operations:</b>		
Total revenue	0.01	N/A
Realized gains (losses)	0.35	N/A
Unrealized gains (losses)	1.19	N/A
<b>Total increase (decrease) from operations<sup>3</sup></b>	<b>1.55</b>	<b>N/A</b>
<b>Net Assets per Unit, end of period</b>	<b>21.60</b>	<b>N/A</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 Hedged, Unhedged and US Dollar Unhedged ETF Units effectively began operations on July 11, 2023. The Hedged Class A and F Mutual Fund Units effectively began operations on June 5, 2024.
- 2 This amount represents the initial launch price.
- 3 Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of units outstanding over the period.
- 4 Distributions were paid in cash or reinvested in additional units of the Fund, or both. Actual distributions may vary slightly owing to rounding.
- 5 Per unit figures are stated in CAD equivalent.

## The Fund's Ratios/Supplemental Data

	June 30, 2024	December 31, 2023
For the periods ended:		
<b>Unhedged ETF Units - Ratios/Supplemental Data</b>		
Total Net Asset Value (\$) <sup>6</sup>	7,131,633	1,759,190
Number of units outstanding <sup>6</sup>	225,000	75,000
Management expense ratio <sup>7</sup>	0.45%	0.45%
Trading expense ratio <sup>8</sup>	0.15%	0.13%
Portfolio turnover rate <sup>9</sup>	30.79%	65.76%
Net Asset Value per unit (\$)	31.70	23.46
Closing market price (\$)	32.22	23.46
<b>Hedged ETF Units - Ratios/Supplemental Data</b>		
Total Net Asset Value (\$) <sup>6</sup>	33,471,284	6,417,888
Number of units outstanding <sup>6</sup>	1,100,000	275,000
Management expense ratio <sup>7</sup>	0.46%	0.45%
Trading expense ratio <sup>8</sup>	0.15%	0.13%
Portfolio turnover rate <sup>9</sup>	30.79%	65.76%
Net Asset Value per unit (\$)	30.43	23.34
Closing market price (\$)	30.45	23.36
<b>US Dollar Unhedged ETF Units - Ratios/Supplemental Data</b>		
Total Net Asset Value (\$) <sup>6</sup>	11,535,617	2,328,285
Number of units outstanding <sup>6</sup>	275,000	75,000
Management expense ratio <sup>7</sup>	0.45%	0.45%
Trading expense ratio <sup>8</sup>	0.15%	0.13%
Portfolio turnover rate <sup>9</sup>	30.79%	65.76%
Net Asset Value per unit (\$)	41.95	31.04
Closing market price (\$)	42.51	31.05

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

For the periods ended:	June 30, 2024	December 31, 2023
<b>Hedged Class A - Ratios/Supplemental Data</b>		
Total Net Asset Value (\$)⁶	67,477	N/A
Number of units outstanding⁶	3,131	N/A
Management expense ratio⁷	1.42%	N/A
Trading expense ratio⁸	0.15%	N/A
Portfolio turnover rate⁹	30.79%	N/A
Net Asset Value per unit (\$)	21.55	N/A
<b>Hedged Class F - Ratios/Supplemental Data</b>		
Total Net Asset Value (\$)⁶	108	N/A
Number of units outstanding⁶	5	N/A
Management expense ratio⁷	0.00%	N/A
Trading expense ratio⁸	0.15%	N/A
Portfolio turnover rate⁹	30.79%	N/A
Net Asset Value per unit (\$)	21.60	N/A

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

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

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

9 The Fund's portfolio turnover rate indicates how actively the Fund's portfolio manager trades its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the period. The higher the Fund's portfolio turnover rate in a period, the greater the trading costs payable by the Fund in the period, and the greater the chance of an investor receiving taxable capital gains in the period. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

## Past Performance

Since the Fund is a reporting issuer for less than one year, with inception date July 11, 2023, for the Hedged, Unhedged, and US Dollar Unhedged ETF Units and inception date June 5, 2024, for the Hedged Class A and F Mutual Fund Units, providing performance data for the period is not permitted.

## Summary of Investment Portfolio

### Top 25 Positions

Security	Percentage of Net Asset Value (%)
NVIDIA Corporation	10.4
Apple Inc.	10.1
Meta Platforms Inc., Class 'A'	9.9
Microsoft Corporation	9.9
Broadcom Inc.	9.4
Alphabet Inc., Class 'A'	5.0
Alphabet Inc., Class 'C'	4.8
Advanced Micro Devices Inc.	3.3
Adobe Inc.	3.1
Qualcomm Inc.	2.8
Applied Materials Inc.	2.5
Intuit Inc.	2.3
Texas Instruments Inc.	2.2
Micron Technology Inc.	1.8

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## Top 25 Positions (cont'd)

	Percentage of Net Asset Value (%)
Security	
Lam Research Corporation	1.8
Intel Corporation	1.7
Analog Devices Inc.	1.4
KLA Corporation	1.4
Palo Alto Networks Inc.	1.4
ASML Holding NV	1.2
Synopsys Inc.	1.2
PDD Holdings Inc., ADR	1.1
CrowdStrike Holdings Inc., Class 'A'	1.1
Cadence Design Systems Inc.	1.1
NXP Semiconductors NV	0.9
<b>Total</b>	<b>91.8</b>

## Industry Allocation

Portfolio by Category	Percentage of Net Asset Value (%)
<b>Equities</b>	
Communication Services	19.7
Consumer Discretionary	1.6
Information Technology	78.4
Derivative Assets	0.0
Derivative Liabilities	(0.1)
Cash and Cash Equivalents	0.6
Other Assets, less Liabilities	(0.2)
<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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