

Evolve Active Core Fixed Income Fund

June 30, 2023

Interim Management Report of Fund Performance

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

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Investment Objective and Strategies

The Evolve Active Core Fixed Income Fund (the "Fund") seeks to provide a stable rate of return, primarily through income, and to a lesser extent, capital appreciation. The Fund invests primarily in domestic and international high quality fixed income securities, and to a lesser extent, adding yield or enhancing returns on the portfolio by opportunistically investing in international fixed income securities, emerging market debt, preferred shares, convertible bonds and non-investment grade bonds.

Risk

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

Results of Operations

For the six-month period ended June 30, 2023, Unhedged ETF Units returned 2.6%. The Unhedged Class A Mutual Fund Units returned 2.1% and the Unhedged Class F Mutual Fund Units returned 2.6%. The Fund's net assets were \$10.0MM as at June 30, 2023.

Portfolio Manager Commentary

Over the course of the first half of 2023, the Fund encountered a mixed and challenging market landscape. The Fund initially experienced positive performance in January, buoyed by a rally in equity, fixed income, and Canadian Preferred Shares markets, driven by optimism around potential easing inflationary pressures and hopes of more gradual central bank tightening. However, as the year progressed, concerns over inflation and central bank actions emerged, leading to market downturns in February and May.

The global economy displayed resilience, but uncertainty surrounding interest rates, inflation, and the banking sector's stress resulted in heightened market volatility. Central banks, including the Bank of Canada and the Federal Reserve, implemented tightening monetary policies, which impacted market sentiment and asset classes.

The fixed income market faced headwinds due to rising yields and persistent inflation, contributing to volatile performances of the Bloomberg Global Aggregate Index and Canada Universe Bond Index during the first half of 2023. Inflationary pressures had significant implications for the fixed income universe, leading to retreats in bond yields and causing the Fund to navigate through dynamic market conditions.

Amid these challenges, the Fund's strategic positioning and active management approach proved beneficial. The Fund's allocations to Canadian Preferred Shares and Global Credit provided relative outperformance during periods of market volatility.

Throughout the first half of 2023, the Manager actively monitored macroeconomic trends, central bank actions, and market developments to inform their tactical allocation decisions. The Fund's focus on issuer-specific fundamentals, resilience, and risk management demonstrated its commitment to optimizing returns and managing risks effectively.

As the year progresses, the Fund will continue to prioritize a proactive and strategic investment approach. By staying vigilant and adaptable to evolving market dynamics, the fund aims to provide potential stability and competitive risk-adjusted returns for investors in the ever-changing investment landscape.

Source: Addenda Capital

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.

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Management Fees

The Manager is entitled to an annual management fee of 0.45% of the net asset value of the Unhedged ETF Units and the Unhedged Class F Mutual Fund Units and 1.20% of the net asset value of the Unhedged Class A Mutual Fund Units of the Fund, accrued daily and generally paid monthly in arrears. For the six-month period ended June 30, 2023, the Fund incurred \$22,797 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, 2023, the Fund incurred \$9,990 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 Unit¹

	June 30, 2023	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018
For the periods ended:	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Unhedged ETF Units - Net Assets per Unit						
Net Assets per Unit, beginning of period	17.24	20.45	20.91	19.75	19.37	20.01
Increase (decrease) from operations:						
Total revenue	0.34	0.63	0.64	0.71	0.66	0.48
Total expenses	(0.05)	(0.10)	(0.11)	(0.11)	(0.11)	(0.12)
Realized gains (losses)	(0.60)	(1.73)	(0.37)	0.56	0.12	(0.03)
Unrealized gains (losses)	0.80	(1.76)	(0.06)	0.22	0.34	(0.40)
Total increase (decrease) from operations²	0.49	(2.96)	0.10	1.38	1.01	(0.07)
Distributions:						
From income (excluding dividends)	(0.33)	(0.44)	(0.38)	(0.47)	(0.47)	(0.32)
From dividends	-	(0.10)	(0.15)	(0.15)	(0.06)	(0.01)
From capital gains	-	-	-	-	(0.07)	(0.01)
Return of capital	-	(0.12)	(0.13)	(0.04)	(0.06)	(0.16)
Total annual distributions³	(0.33)	(0.66)	(0.66)	(0.66)	(0.66)	(0.50)
Net Assets per Unit, end of period	17.35	17.24	20.45	20.91	19.75	19.37

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

For the periods ended:	June 30, 2023 (\$)	December 31, 2022 (\$)	December 31, 2021 (\$)	December 31, 2020 (\$)	December 31, 2019 (\$)	December 31, 2018 (\$)
Unhedged Class A - Net Assets per Unit						
Net Assets per Unit, beginning of period	17.27	20.64	21.27	20.09	20.17	N/A
Increase (decrease) from operations:						
Total revenue	0.34	0.62	0.65	0.63	0.05	N/A
Total expenses	(0.13)	(0.25)	(0.28)	(0.28)	0.01	N/A
Realized gains (losses)	(0.61)	(1.73)	(0.36)	0.08	0.12	N/A
Unrealized gains (losses)	0.77	(1.81)	(0.13)	1.85	(0.09)	N/A
Total increase (decrease) from operations²	0.37	(3.17)	(0.12)	2.28	0.09	N/A
Distributions:						
From income (excluding dividends)	(0.33)	(0.34)	(0.33)	(0.30)	-	N/A
From dividends	-	(0.08)	(0.13)	(0.09)	-	N/A
Return of capital	-	(0.24)	(0.20)	-	-	N/A
Total annual distributions³	(0.33)	(0.66)	(0.66)	(0.39)	-	N/A
Net Assets per Unit, end of period	17.31	17.27	20.64	21.27	20.09	N/A
Unhedged Class F - Net Assets per Unit						
Net Assets per Unit, beginning of period	17.79	21.07	21.54	20.26	20.19	N/A
Increase (decrease) from operations:						
Total revenue	0.35	0.64	0.64	0.70	0.04	N/A
Total expenses	(0.05)	(0.10)	(0.11)	(0.13)	0.01	N/A
Realized gains (losses)	(0.63)	(1.74)	(0.18)	0.23	0.13	N/A
Unrealized gains (losses)	0.82	(1.39)	(0.08)	1.14	0.08	N/A
Total increase (decrease) from operations²	0.49	(2.59)	0.27	1.94	0.26	N/A
Distributions:						
From income (excluding dividends)	(0.33)	(0.48)	(0.35)	(0.30)	-	N/A
From dividends	-	(0.11)	(0.13)	(0.09)	-	N/A
Return of capital	-	(0.07)	(0.18)	-	-	N/A
Total annual distributions³	(0.33)	(0.66)	(0.66)	(0.39)	-	N/A
Net Assets per Unit, end of period	17.91	17.79	21.07	21.54	20.26	N/A

1 This information is derived from the Fund's unaudited interim financial statements as at June 30, 2023 and the audited annual financial statements as at December 31, 2022, 2021, 2020, 2019, and 2018. The Unhedged ETF Units effectively began operations on March 28, 2018 and the Unhedged Class A and F Mutual Fund Units effectively began operations on June 4, 2019.

2 Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of units outstanding over the period.

3 Distributions were paid in cash or reinvested in additional units of the Fund, or both. Actual distributions may vary slightly owing to rounding.

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The Fund's Ratios/Supplemental Data

For the periods ended:	June 30, 2023	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018
Unhedged ETF Units - Ratios/Supplemental Data						
Total Net Asset Value (\$) ⁴	8,760,843	10,428,966	22,492,306	16,207,407	30,612,500	24,693,049
Number of units outstanding ⁴	505,000	605,000	1,100,000	775,000	1,550,000	1,275,000
Management expense ratio excluding underlying fund expenses ⁵	0.58%	0.51%	0.50%	0.55%	0.58%	0.60%
Management expense ratio ⁶	0.69%	0.68%	0.70%	0.71%	0.70%	0.68%
Trading expense ratio ⁷	0.02%	0.03%	0.03%	0.02%	0.00%	0.18%
Portfolio turnover rate ⁸	26.21%	105.36%	134.05%	86.86%	30.80%	52.41%
Net Asset Value per unit (\$)	17.35	17.24	20.45	20.91	19.75	19.37
Closing market price (\$)	17.26	17.25	20.43	20.81	19.80	19.33
Unhedged Class A - Ratios/Supplemental Data						
Total Net Asset Value (\$) ⁴	66,399	65,013	97,975	77,699	20	N/A
Number of units outstanding ⁴	3,837	3,765	4,748	3,653	1	N/A
Management expense ratio excluding underlying fund expenses ⁵	1.42%	1.31%	1.30%	1.34%	0.00%	N/A
Management expense ratio ⁶	1.53%	1.47%	1.51%	1.54%	0.24%	N/A
Trading expense ratio ⁷	0.02%	0.03%	0.03%	0.02%	0.00%	N/A
Portfolio turnover rate ⁸	26.21%	105.36%	134.05%	86.86%	30.80%	N/A
Net Asset Value per unit (\$)	17.31	17.27	20.64	21.27	20.09	N/A
Unhedged Class F - Ratios/Supplemental Data						
Total Net Asset Value (\$) ⁴	1,133,364	1,501,481	3,964,783	304,424	20	N/A
Number of units outstanding ⁴	63,279	84,422	188,134	14,131	1	N/A
Management expense ratio excluding underlying fund expenses ⁵	0.57%	0.52%	0.51%	0.60%	0.00%	N/A
Management expense ratio ⁶	0.68%	0.68%	0.70%	0.80%	0.24%	N/A
Trading expense ratio ⁷	0.02%	0.03%	0.03%	0.02%	0.00%	N/A
Portfolio turnover rate ⁸	26.21%	105.36%	134.05%	86.86%	30.80%	N/A
Net Asset Value per unit (\$)	17.91	17.79	21.07	21.54	20.26	N/A

4 This information is provided as at June 30, 2023 and December 31, 2022, 2021, 2020, 2019, and 2018.

5 Management expense ratio excluding underlying fund expenses 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 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. The MER for prior periods has been restated to include the expenses of any underlying funds.

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

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

Past Performance

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

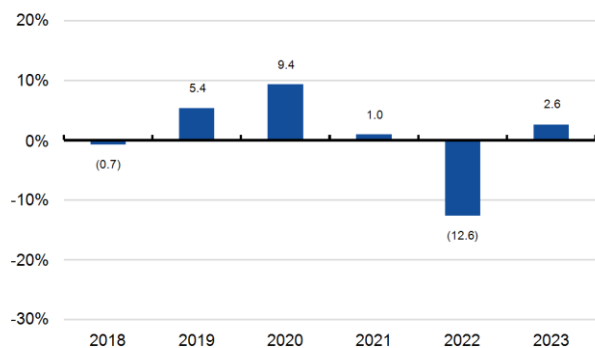
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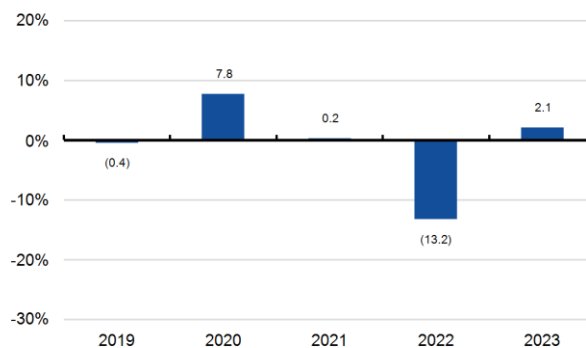
Year-by-Year Returns

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, 2023. 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.

FIXD Unhedged ETF Units¹



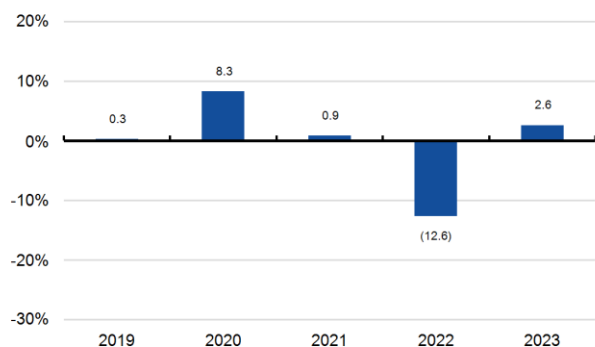
Unhedged Class A Mutual Fund Units²



1 The Unhedged ETF Units of the Fund effectively began operations on March 28, 2018.

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

Unhedged Class F Mutual Fund Units³



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

Summary of Investment Portfolio

Top 25 Positions

Security	Percentage of Net Asset Value (%)
Government of Canada 3.50% due March 01, 2028	5.4
Evolve Active Global Fixed Income Fund	4.8
Government of Canada 1.75% due December 01, 2053	4.1
Fair Hydro Trust, Callable	3.6

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Top 25 Positions (cont'd)

Security	Percentage of Net Asset Value (%)
Royal Office Finance Limited Partnership, Series 'A'	3.6
Evolve Active Canadian Preferred Share ETF	3.5
Original Wempi Inc., Series 'B2'	3.3
Government of Canada 2.75% due June 01, 2033	3.2
The 55 Ontario School Board Trust, Series 'A'	2.8
The Hospital for Sick Children, Series 'A'	2.8
Province of Ontario 2.90% due June 02, 2049	2.6
Province of Ontario 1.85% due February 01, 2027	2.5
Province of British Columbia 2.80% due June 18, 2048	2.2
Enbridge Inc., Variable, Callable	2.1
TransCanada Trust, Variable, Callable	2.0
Enbridge Southern Lights Limited Partnership	2.0
Government of Canada 1.50% due April 21, 2025	2.0
Sun Life Financial Inc., Variable, Callable	1.7
New Brunswick F-M Project Company Inc.	1.4
University of Ontario Institute of Technology, Series 'A'	1.4
ARC Resources Limited, Callable	1.3
Cenovus Energy Inc., Callable	1.3
Government of Canada 1.50% due June 01, 2031	1.3
Government of Canada 1.25% due June 01, 2030	1.3
Hydro-Quebec 6.50% due February 15, 2035	1.2
Total	63.4

Industry Allocation

Portfolio by Category	Percentage of Net Asset Value (%)
Debt Instruments	
Asset-Backed Securities	0.9
Communication Services	3.2
Consumer Discretionary	2.7
Consumer Staples	0.4
Energy	15.8
Financials	18.9
Government	34.4
Health Care	3.0
Industrials	1.0
Real Estate	3.9
Utilities	1.2
Equities	
ETFs - Domestic Equity	3.5
ETFs - International Fixed Income	4.8
Cash and Cash Equivalents	5.9
Other Assets, less Liabilities	0.4
Total	100.0

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



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