

Evolve Future Leadership 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 Future Leadership Fund (the "Fund") seeks to provide holders of units with long-term capital appreciation by investing primarily in a diversified mix of equity securities of companies located domestically or internationally that the portfolio manager has determined are leaders in sectors that stand to benefit from medium and long term economic trends. The portfolio manager will use a selection process that combines quantitative techniques, fundamental analysis and risk management. The portfolio manager will also write covered call options on up to 33% of the portfolio securities, at its discretion. The level of covered call option writing may vary based on market volatility and other factors.

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, the Hedged ETF Units returned 17.7%. The Unhedged ETF Units returned 15.8%. The US Dollar Unhedged ETF Units returned 18.3%. The Fund's net assets were \$29.2MM as at June 30, 2023.

Portfolio Manager Commentary

The first half of 2023 proved to be an exciting period for the investment landscape, with technological innovation and monetary policy having a prominent impact on the market. Notably, the Nasdaq Composite achieved an unprecedented 40% gain in the first half of the year, largely propelled by the performance of technology heavyweights and the burgeoning artificial intelligence (AI) industry. With names like Apple, Microsoft, Alphabet, Amazon, Meta Platforms, Nvidia, and Tesla leading the charge, the technology sector showcased impressive resilience and innovation.¹

Nvidia played a pivotal role in the surge, achieving a market capitalization of \$1 trillion, powered by an increasing demand for AI tools and capabilities. This demonstrates that the appetite for AI and machine learning technology continues to shape the growth trajectory of leading technology firms.²

In contrast to the booming technology sector, the banking industry faced severe challenges. A series of bank collapses, including those of Silvergate Capital, Silicon Valley Bank, Signature Bank of New York, and First Republic Bank, were triggered by varying factors include exposure to the volatile cryptocurrency market and susceptibility to the Federal Reserve's rapid interest rate hikes. These events emphasized the importance of prudence and diversification, especially in an environment of monetary policy tightening.³

Meanwhile, during the first half of 2023 the pharmaceutical sector showed mixed developments as companies pivoted away from COVID-19 treatments and vaccines and turned their attention to obesity treatments, Alzheimer's treatments, and developments in MedTech. Drugmakers such as Eli Lilly & Co. and Novo Nordisk A/S were clear leaders in the race to produce effective obesity treatments, while companies including Pfizer Inc. struggled to keep pace when it was forced to discontinue the development of one of its weight loss pills on the back of safety concerns. The drive for solutions in the obesity market reveals an area where innovative drugmakers could potentially realize significant gains.⁴

Performance Attribution

For the six month period ending June 30, 2023, Meta Platforms Inc made the biggest contribution to the Fund, followed by Nvidia Corporation. By weight, the Fund's largest holdings were Take-Two Interactive, Meta Platforms Inc, and Electronic Arts Inc.

(1) <https://fortune.com/2023/06/30/nasdaq-best-ever-first-half-of-the-year-big-tech-ai/>

(2) <https://www.theverge.com/2023/5/30/23742123/nvidia-stock-ai-gpu-1-trillion-market-cap-price-value>

(3) <https://www.bloomberg.com/news/articles/2023-06-06/2023-banking-crisis-key-lessons-from-the-svb-first-republic-collapses>

(4) <https://www.bnnbloomberg.ca/the-race-to-develop-weight-loss-pills-has-some-drugmakers-falling-behind-1.1938223>

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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 management fees are calculated based on 0.75% per annum of the average daily net asset value of the Fund. The fees are accrued daily and generally paid monthly. For the six-month period ended June 30, 2023, the Fund incurred \$115,356 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 \$26,483 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 (\$)
For the periods ended:				
Unhedged ETF Units - Net Assets per Unit				
Net Assets per Unit, beginning of period	14.49	22.30	20.80	19.85
Increase (decrease) from operations:				
Total revenue	0.11	0.11	0.12	0.04
Total expenses	(0.11)	(0.20)	(0.25)	(0.10)
Realized gains (losses)	(1.50)	(2.28)	0.47	(0.03)
Unrealized gains (losses)	3.77	(4.51)	2.29	1.69
Total increase (decrease) from operations²	2.27	(6.88)	2.63	1.60
Distributions:				
From income (excluding dividends)	(0.63)	-	-	-
From capital gains	-	-	(0.36)	(0.08)
Return of capital	-	(1.26)	(0.90)	(0.24)
Total annual distributions³	(0.63)	(1.26)	(1.26)	(0.32)
Net Assets per Unit, end of period	16.11	14.49	22.30	20.80

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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
	(\$)	(\$)	(\$)	(\$)
Hedged ETF Units - Net Assets per Unit				
Net Assets per Unit, beginning of period	14.03	23.01	21.30	19.85
Increase (decrease) from operations:				
Total revenue	0.10	0.11	0.11	0.04
Total expenses	(0.11)	(0.20)	(0.27)	(0.06)
Realized gains (losses)	(1.08)	(3.03)	0.03	0.45
Unrealized gains (losses)	3.51	(4.60)	2.59	1.59
Total increase (decrease) from operations²	2.42	(7.72)	2.46	2.02
Distributions:				
From income (excluding dividends)	(0.63)	-	-	-
From capital gains	-	-	(0.35)	(0.08)
Return of capital	-	(1.26)	(0.91)	(0.24)
Total annual distributions³	(0.63)	(1.26)	(1.26)	(0.32)
Net Assets per Unit, end of period	15.84	14.03	23.01	21.30
US Dollar Unhedged ETF Units - Net Assets per Unit⁴				
Net Assets per Unit, beginning of period	19.13	29.42	27.37	26.11
Increase (decrease) from operations:				
Total revenue	0.14	0.15	0.15	0.05
Total expenses	(0.14)	(0.26)	(0.33)	(0.13)
Realized gains (losses)	(2.00)	(2.81)	0.63	(0.04)
Unrealized gains (losses)	4.94	(6.94)	3.19	2.08
Total increase (decrease) from operations²	2.94	(9.86)	3.64	1.96
Distributions:				
From income (excluding dividends)	(0.85)	-	-	-
From capital gains	-	-	(0.45)	(0.11)
Return of capital	-	(1.78)	(1.13)	(0.30)
Total annual distributions³	(0.85)	(1.78)	(1.58)	(0.41)
Net Assets per Unit, end of period	21.25	19.13	29.42	27.37

- 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, and 2020. The Hedged, Unhedged, and US Dollar Unhedged ETF Units began operations on September 10, 2020.
- 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.
- 4 Per unit figures are stated in CAD equivalent.

The Fund's Ratios/Supplemental Data

For the periods ended:	June 30, 2023	December 31, 2022	December 31, 2021	December 31, 2020
Unhedged ETF Units - Ratios/Supplemental Data				
Total Net Asset Value (\$) ⁵	6,844,809	7,243,548	22,854,200	19,240,732
Number of units outstanding ⁵	425,000	500,000	1,025,000	925,000
Management expense ratio excluding underlying fund expenses ⁶	0.97%	0.90%	0.91%	1.01%
Management expense ratio ⁷	1.04%	0.99%	1.01%	1.09%
Trading expense ratio ⁸	0.33%	0.20%	0.17%	0.51%
Portfolio turnover rate ⁹	46.58%	82.79%	69.42%	31.06%
Net Asset Value per unit (\$)	16.11	14.49	22.30	20.80
Closing market price (\$)	16.05	14.46	22.50	20.72

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

For the periods ended:	June 30, 2023	December 31, 2022	December 31, 2021	December 31, 2020
Hedged ETF Units - Ratios/Supplemental Data				
Total Net Asset Value (\$) ⁵	18,614,856	16,836,973	19,554,463	5,323,823
Number of units outstanding ⁵	1,175,000	1,200,000	850,000	250,000
Management expense ratio excluding underlying fund expenses ⁶	0.96%	0.92%	0.92%	0.39%
Management expense ratio ⁷	1.03%	1.01%	1.02%	0.95%
Trading expense ratio ⁸	0.33%	0.20%	0.17%	0.51%
Portfolio turnover rate ⁹	46.58%	82.79%	69.42%	31.06%
Net Asset Value per unit (\$)	15.84	14.03	23.01	21.30
Closing market price (\$)	15.84	13.97	23.15	21.28
US Dollar Unhedged ETF Units - Ratios/Supplemental Data				
Total Net Asset Value (\$) ⁵	3,718,623	3,826,519	16,917,149	13,000,886
Number of units outstanding ⁵	175,000	200,000	575,000	475,000
Management expense ratio excluding underlying fund expenses ⁶	0.98%	0.89%	0.91%	1.01%
Management expense ratio ⁷	1.05%	0.98%	1.01%	1.09%
Trading expense ratio ⁸	0.33%	0.20%	0.17%	0.51%
Portfolio turnover rate ⁹	46.58%	82.79%	69.42%	31.06%
Net Asset Value per unit (\$)	21.25	19.13	29.42	27.37
Closing market price (\$)	21.25	19.13	29.45	27.35

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

6 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.

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

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

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

Past Performance

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

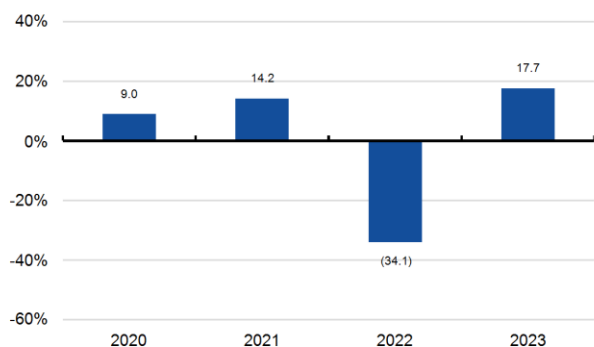
Year-by-Year Returns

The bar chart below shows the Hedged, Unhedged, and US Dollar Unhedged ETF 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.

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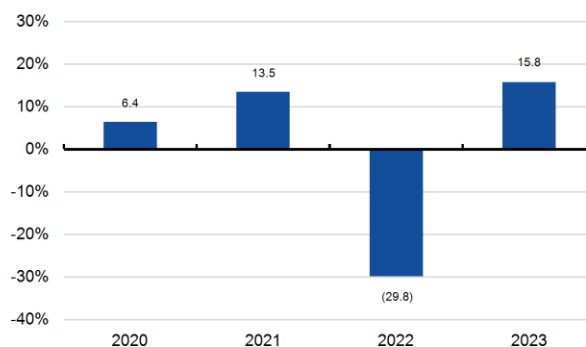
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LEAD Hedged ETF Units¹



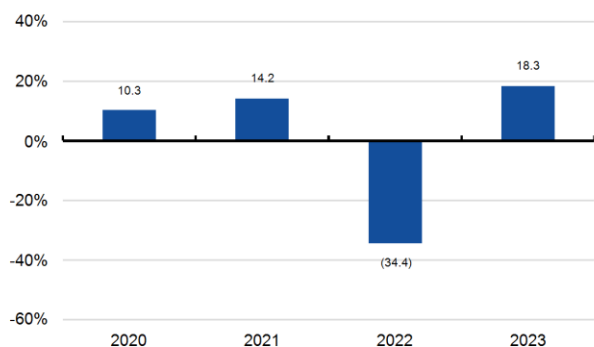
1 The Hedged ETF Units of the Fund effectively began operations on September 10, 2020.

LEAD/B Unhedged ETF Units²



2 The Unhedged ETF Units of the Fund effectively began operations on September 10, 2020.

LEAD US Dollar Unhedged ETF Units³



3 The US Dollar Unhedged ETF Units of the Fund effectively began operations on September 10, 2020. Returns presented based on NAV equivalent in USD.

Summary of Investment Portfolio

Top 25 Positions

	Percentage of Net Asset Value (%)
Security	
Take-Two Interactive Software Inc.	6.2
Meta Platforms Inc.	5.0
US Premium Cash Management Fund	4.5
Electronic Arts Inc.	4.4
Eli Lilly & Company	3.9
The Walt Disney Company	3.1
Evolve E-Gaming Index ETF	3.1
Novo Nordisk A/S, ADR	3.0
Evolve Global Healthcare Enhanced Yield Fund	2.9

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Top 25 Positions (cont'd)

	Percentage of Net Asset Value (%)
Security	
Johnson & Johnson	2.9
Tesla Inc.	2.8
Amazon.com Inc.	2.8
UnitedHealth Group Inc.	2.7
Pfizer Inc.	2.6
Apple Inc.	2.4
Zscaler Inc.	2.3
Microsoft Corporation	2.3
American Express Company	2.2
Mastercard Inc., Class 'A'	2.2
Alphabet Inc., Class 'A'	2.2
NVIDIA Corporation	2.2
Visa Inc., Class 'A'	2.1
Sony Group Corporation, ADR	2.1
Shopify Inc., Class 'A'	2.0
Block Inc.	2.0
Total	73.9

Industry Allocation

Portfolio by Category	Percentage of Net Asset Value (%)
Equities	
Communication Services	21.8
Consumer Discretionary	7.6
ETFs - International Equity	9.4
ETFs - US Money Market	4.5
Financials	9.1
Health Care	15.1
Information Technology	33.3
Derivative Assets	0.0
Derivative Liabilities	(0.3)
Cash and Cash Equivalents	0.2
Other Assets, less Liabilities	(0.7)
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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