

Evolve FANGMA Index ETF

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 FANGMA Index ETF (the "Fund") seeks to replicate, to the extent reasonably possible and before fees and expenses, the performance of the Solactive FANGMA Equal Weight Index Canadian Dollar Hedged, or any successor thereto. The Fund invests in equity securities of Alphabet Inc., Amazon Inc., Apple Inc., Facebook Inc., Netflix Inc. and Microsoft Corp.

Risk

Effective April 25, 2023, the risk rating of the Hedged, Unhedged and US Dollar Unhedged ETF Units of the Fund was changed from "Medium" to "Medium 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

For the six-month period ended June 30, 2023, the Unhedged ETF Units returned 55.8% versus the Solactive FANGMA Equal Weight Index return of 57.0%. The Hedged ETF Units returned 58.5% versus Solactive FANGMA Equal Weight Index return of 57.0%. The US Dollar Unhedged ETF Units returned 59.2% versus the Solactive FANGMA Equal Weight Index return of 57.0%. The difference in performance of the hedged units relative to its benchmark can be attributed primarily to management and administration fees plus applicable sales taxes, to portfolio trading and hedging strategies and to the assumption that all distributions made by the investment fund were reinvested in additional securities whereas the index performance is of price return only. The difference in performance of the unhedged units relative to its benchmark can be attributed primarily to management and administration fees plus applicable sales taxes and to portfolio trading. The Fund's net assets were \$70.6MM as at June 30, 2023.

Portfolio Manager Commentary

Big technology firms rallied in the first half of 2023, with Apple, Microsoft, Alphabet, and Amazon being key contributors to the S&P 500's impressive gains during the year. The buzz around Artificial Intelligence (AI) has been a key catalyst for this growth, causing companies heavily involved in the development and application of AI technologies to experience a surge in their share prices.¹

Microsoft's substantial \$10 billion investment in OpenAI underlines its competitive position in the burgeoning AI landscape, positioning it to potentially reap significant rewards from its close association with advanced AI systems. This strategic move further cements Microsoft's competitiveness in the growth AI market.²

In parallel, a new market rivalry is emerging between Apple and Meta, when Apple unveiled their new VR headset, Vision Pro, in June of 2023. The Vision Pro comes to the market as a direct competitor to Meta's Quest Pro headset, for which Meta announced a new version of the product just days before Apple unveiled their own. This marks a critical juncture in the evolving digital landscape, with both companies betting on the metaverse as the next major era of personal computing. It also indicates an expansion of their competition, potentially fueling further growth for both companies.³

Netflix's strategy of restricting password sharing appears to have paid off, leading to a significant increase in new subscriber sign-ups. This indicates the resilience of Netflix's business model and its ability to enforce new policies that result in further subscriber growth.⁴

Performance Attribution

For the six month period ending June 30, 2023, Meta Platforms Inc made the biggest contribution to the Fund, followed by Netflix Inc. By weight, the Fund's largest holdings were Meta Platforms Inc, Netflix Inc, and Amazon.com Inc.

(1) <https://www.axios.com/2023/06/01/sp500-tech-companies-stock-price>

(2) <https://www.bnnbloomberg.ca/microsoft-invests-us-10b-in-chatgpt-maker-openai-1.1873737>

(3) <https://www.cnbc.com/2023/06/05/meta-apple-rivalry-enters-new-phase-as-tech-giants-go-after-headsets.html>

(4) <https://www.bloomberg.com/news/articles/2023-06-09/netflix-added-subscribers-after-password-crackdown-firm-says>

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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 0.40% 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 \$128,778 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 \$49,818 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 (\$)
For the periods ended:			
Unhedged ETF Units - Net Assets per Unit			
Net Assets per Unit, beginning of period ²	7.71	12.37	10.00
Increase (decrease) from operations:			
Total revenue	0.01	0.02	0.02
Total expenses	(0.03)	(0.06)	(0.05)
Realized gains (losses)	0.09	(1.53)	0.84
Unrealized gains (losses)	4.23	(3.77)	0.90
Total increase (decrease) from operations³	4.30	(5.34)	1.71
Distributions:			
From income (excluding dividends)	(0.01)	-	-
Return of capital	-	(0.02)	(0.02)
Total annual distributions⁴	(0.01)	(0.02)	(0.02)
Net Assets per Unit, end of period	12.00	7.71	12.37

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

	June 30, 2023	December 31, 2022	December 31, 2021
	(\$)	(\$)	(\$)
For the periods ended:			
Hedged ETF Units - Net Assets per Unit			
Net Assets per Unit, beginning of period ²	6.88	12.01	10.00
Increase (decrease) from operations:			
Total revenue	0.01	0.02	0.02
Total expenses	(0.03)	(0.06)	(0.05)
Realized gains (losses)	0.32	(2.08)	(0.20)
Unrealized gains (losses)	3.76	(2.41)	1.76
Total increase (decrease) from operations³	4.06	(4.53)	1.53
Distributions:			
From income (excluding dividends)	(0.01)	-	-
Return of capital	-	(0.02)	(0.02)
Total annual distributions⁴	(0.01)	(0.02)	(0.02)
Net Assets per Unit, end of period	10.89	6.88	12.01
US Dollar Unhedged ETF Units - Net Assets per Unit⁵			
Net Assets per Unit, beginning of period ²	9.49	15.23	12.31
Increase (decrease) from operations:			
Total revenue	0.02	0.03	0.02
Total expenses	(0.04)	(0.08)	(0.06)
Realized gains (losses)	0.11	(1.89)	0.88
Unrealized gains (losses)	5.20	(5.81)	2.01
Total increase (decrease) from operations³	5.29	(7.75)	2.85
Distributions:			
From income (excluding dividends)	(0.01)	-	-
Return of capital	-	(0.03)	(0.02)
Total annual distributions⁴	(0.01)	(0.03)	(0.02)
Net Assets per Unit, end of period	14.77	9.49	15.23

- 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 and 2021. The Hedged, Unhedged, and US Dollar Unhedged ETF Units effectively began operations on May 4, 2021.
- 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, 2023	December 31, 2022	December 31, 2021
For the periods ended:			
Unhedged ETF Units - Ratios/Supplemental Data			
Total Net Asset Value (\$) ⁶	4,801,282	3,085,219	7,422,345
Number of units outstanding ⁶	400,000	400,000	600,001
Management expense ratio ⁷	0.65%	0.62%	0.62%
Trading expense ratio ⁸	0.15%	0.03%	0.02%
Portfolio turnover rate ⁹	26.81%	116.33%	75.02%
Net Asset Value per unit (\$)	12.00	7.71	12.37
Closing market price (\$)	12.01	7.72	12.40

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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
Hedged ETF Units - Ratios/Supplemental Data			
Total Net Asset Value (\$)⁶	60,865,431	37,156,230	36,616,111
Number of units outstanding⁶	5,590,500	5,403,000	3,050,001
Management expense ratio⁷	0.63%	0.63%	0.62%
Trading expense ratio⁸	0.15%	0.03%	0.02%
Portfolio turnover rate⁹	26.81%	116.33%	75.02%
Net Asset Value per unit (\$)	10.89	6.88	12.01
Closing market price (\$)	10.90	6.88	12.01
US Dollar Unhedged ETF Units - Ratios/Supplemental Data			
Total Net Asset Value (\$)⁶	4,944,495	3,177,528	12,943,849
Number of units outstanding⁶	334,700	334,700	850,001
Management expense ratio⁷	0.65%	0.62%	0.62%
Trading expense ratio⁸	0.15%	0.03%	0.02%
Portfolio turnover rate⁹	26.81%	116.33%	75.02%
Net Asset Value per unit (\$)	14.77	9.49	15.23
Closing market price (\$)	14.78	9.50	15.33

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

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.

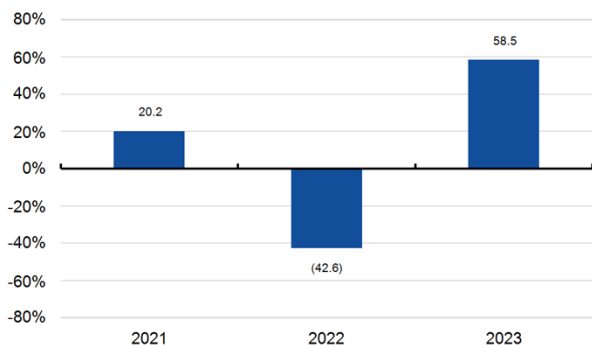
Year-by-Year Returns

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.

Evolve FANGMA Index ETF

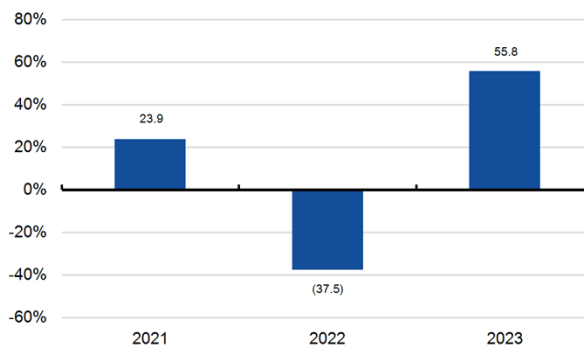
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TECH Hedged ETF Units¹



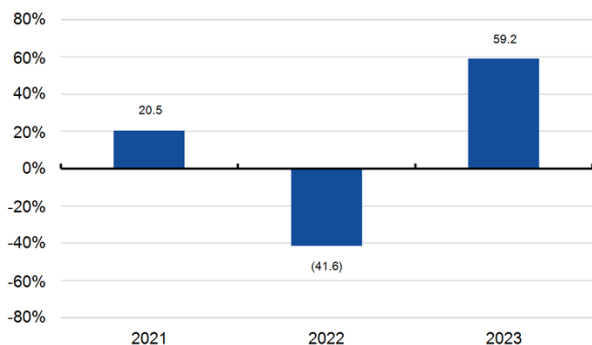
1 The Hedged ETF Units of the Fund effectively began operations on May 4, 2021.

TECH/B Unhedged ETF Units²



2 The Unhedged ETF Units of the Fund effectively began operations on May 4, 2021.

TECH/U US Dollar Unhedged ETF Units³



3 The US Dollar Unhedged ETF Units of the Fund effectively began operations on May 4, 2021. Returns presented based on NAV equivalent in USD.

Summary of Investment Portfolio

All Positions

	Percentage of Net Asset Value (%)
Security	
Meta Platforms Inc.	18.2
Netflix Inc.	18.2
Amazon.com Inc.	16.4
Microsoft Corporation	16.1
Apple Inc.	15.9
Alphabet Inc., Class 'A'	15.3
Total	100.1

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Industry Allocation

Portfolio by Category	Percentage of Net Asset Value (%)
Equities	
Communication Services	51.7
Consumer Discretionary	16.4
Information Technology	32.0
Derivative Assets	0.0
Derivative Liabilities	(0.1)
Cash and Cash Equivalents	0.1
Other Assets, less Liabilities	(0.1)
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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