

US High Interest Savings Account 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 US High Interest Savings Account Fund (the "Fund") seeks to maximize monthly income while preserving capital and liquidity by investing primarily in high interest US dollar deposit accounts.

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

Since the Fund effectively began operations on August 30, 2022, no performance data can be shown. The Fund's net assets were \$493.6MM as at June 30, 2023.

Portfolio Manager Commentary

In the first half of 2023, high interest savings account funds have become an increasingly attractive option for investors seeking to preserve capital and earn interest income through a reliable and liquid investment vehicle. This is largely due to the fact that the Federal Reserve has been steadily raising the Federal Funds Rate since early 2022 and has continued to do so in 2023. In fact, the Federal Reserve raised the Federal Funds Rate by 4.25% in 2022 and has hiked rates by 0.25% three times in the first half of 2023.¹ This series of rate hikes has bolstered the interest income potential of high interest savings account funds in an economic landscape where inflation is beginning to ease. The Consumer Price Index, which reflects the average change over time in the prices paid by consumers, indicated a year-over-year increase of 4% at the end of May, marking a deceleration from the prior levels.²

The dampening of inflation, driven partly by reduced energy prices and a slowdown in increasing food prices, signaled a positive development for savers, as the real return on savings accounts became more likely to improve.² In addition, high-interest savings account funds offer liquidity and capital preservation, which is crucial in an environment where certain costs continue to rise at a robust rate.

With indications that the Federal Reserve may increase rates further, investors seeking a secure place to invest their funds, particularly those with a conservative risk profile, are considering the benefits of incorporating high interest savings account products in their portfolios as an effective tool to benefit from the rising interest rates while safeguarding against the eroding effects of inflation.

(1) <https://www.forbes.com/advisor/investing/fed-funds-rate-history/>

(2) <https://www.cnn.com/2023/06/13/economy/cpi-inflation-may/index.html>

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 0.15% of the net asset value of the Unhedged ETF Units and the Unhedged Class F Mutual Fund Units and 0.40% of the net asset value of the of the Unhedged Class A Mutual Fund Units of the Fund, accrued daily and generally paid monthly in arrears. The annual management fee is negotiable for the Unhedged Class I Mutual Fund Units of the Fund. For the six-month period ended June 30, 2023, the Fund incurred \$437,571 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.

US High Interest Savings Account Fund

June 30, 2023

Operating Expenses

Operating expenses are covered by Manager that are 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.

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 (\$)
For the periods ended:		
Unhedged ETF Units - Net Assets per Unit		
Net Assets per Unit, beginning of period	100.03	100.00
Increase (decrease) from operations:		
Total revenue	2.56	1.41
Total expenses	(0.08)	(0.02)
Unrealized gains (losses)	-	0.01
Total increase (decrease) from operations²	2.48	1.40
Distributions:		
From income (excluding dividends)	(2.45)	(1.19)
From capital gains	-	(0.02)
Total annual distributions³	(2.45)	(1.21)
Net Assets per Unit, end of period	100.03	100.03
Unhedged Class A - Net Assets per Unit		
Net Assets per Unit, beginning of period	10.00	10.00
Increase (decrease) from operations:		
Total revenue	0.26	0.13
Total expenses	(0.03)	(0.01)
Total increase (decrease) from operations²	0.23	0.12
Distributions:		
From income (excluding dividends)	(0.23)	(0.11)
Total annual distributions³	(0.23)	(0.11)
Net Assets per Unit, end of period	10.00	10.00
Unhedged Class F - Net Assets per Unit		
Net Assets per Unit, beginning of period	10.00	10.00
Increase (decrease) from operations:		
Total revenue	0.26	0.13
Total expenses	(0.01)	(0.01)
Unrealized gains (losses)	-	0.01
Total increase (decrease) from operations²	0.25	0.13
Distributions:		
From income (excluding dividends)	(0.25)	(0.11)
From capital gains	-	(0.01)
Total annual distributions³	(0.25)	(0.12)
Net Assets per Unit, end of period	10.00	10.00

US High Interest Savings Account Fund

June 30, 2023

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

	June 30, 2023 (\$)	December 31, 2022 (\$)
For the periods ended:		
Unhedged Class I - Net Assets per Unit		
Net Assets per Unit, beginning of period	10.00	10.00
Increase (decrease) from operations:		
Total revenue	0.24	0.12
Total increase (decrease) from operations²	0.24	0.12
Distributions:		
From income (excluding dividends)	(0.24)	(0.09)
From capital gains	-	(0.03)
Total annual distributions³	(0.24)	(0.12)
Net Assets per Unit, end of period	10.00	10.00

- 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. The Unhedged ETF Units, and the Unhedged Class A, F, and I Mutual Fund Units effectively began operations on August 30, 2022.
- 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, 2023	December 31, 2022
For the period ended:		
Unhedged ETF Units - Ratios/Supplemental Data		
Total Net Asset Value (\$) ⁴	170,049,418	85,021,681
Number of units outstanding ⁴	1,700,000	850,000
Management expense ratio ⁵	0.16%	0.06%
Trading expense ratio ⁶	0.00%	0.00%
Net Asset Value per unit (\$)	100.03	100.03
Closing market price (\$)	100.08	100.03
Unhedged Class A - Ratios/Supplemental Data		
Total Net Asset Value (\$) ⁴	80,566,323	25,006,702
Number of units outstanding ⁴	8,056,632	2,500,379
Management expense ratio ⁵	0.45%	0.44%
Trading expense ratio ⁶	0.00%	0.00%
Net Asset Value per unit (\$)	10.00	10.00
Unhedged Class F - Ratios/Supplemental Data		
Total Net Asset Value (\$) ⁴	243,028,359	144,698,914
Number of units outstanding ⁴	24,302,836	14,468,097
Management expense ratio ⁵	0.17%	0.16%
Trading expense ratio ⁶	0.00%	0.00%
Net Asset Value per unit (\$)	10.00	10.00

US High Interest Savings Account Fund

June 30, 2023

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

For the period ended:	June 30, 2023	December 31, 2022
Unhedged Class I - Ratios/Supplemental Data		
Total Net Asset Value (\$)⁴	104	101
Number of units outstanding⁴	10	10
Management expense ratio⁵,⁷	0.00%	0.00%
Trading expense ratio⁶	0.00%	0.00%
Net Asset Value per unit (\$)	10.00	10.00

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

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 management fee for the Unhedged Class I Mutual Fund Units is negotiable and is paid by the unitholder directly to the Manager. As a result, the management fee is not included in the MER for the Unhedged Class I Mutual Fund Units of the Fund.

Past Performance

Since the Fund is a reporting issuer for less than one year, with inception date August 30, 2022, providing performance data for the period is not permitted.

Summary of Investment Portfolio

All Positions

	Percentage of Net Asset Value (%)
Security	
National Bank of Canada Cash Account	49.9
Scotia Bank Cash Account	25.7
CIBC Cash Account	24.2
Total	99.8

Industry Allocation

Portfolio by Category	Percentage of Net Asset Value (%)
Bank Deposits	
US High Interest Savings Cash Accounts	99.8
Cash and Cash Equivalents	0.0
Other Assets, less Liabilities	0.2
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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