

Evolve Cyber Security Index 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 Cyber Security Index Fund (the "Fund") seeks to replicate, to the extent reasonably possible and before fees and expenses, the performance of the Solactive Global Cyber Security Index (the "Benchmark"), or any successor thereto. The Fund invests primarily in equity securities of companies located domestically or internationally that are involved in the cyber security industry through hardware and software development.

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 Unhedged ETF Units returned 16.5% versus the Solactive Global Cyber Security Index return of 17.3%. The Hedged ETF Units returned 19.6% versus the Solactive Global Cyber Security Index Canadian Dollar Hedged return of 20.3%. The US Dollar Unhedged ETF Units returned 19.1% versus the Solactive Global Cyber Security USD Index NTR return of 20.1%. The Hedged Class A Mutual Fund Units returned 19.0% and the Hedged Class F Mutual Fund Units returned 19.6% versus the Solactive Global Cyber Security Index Canadian Dollar Hedged return of 20.3%. 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 and to portfolio trading and hedging strategies. 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 \$149.7MM as at June 30, 2023.

Portfolio Manager Commentary

The first half of 2023 has been a notable period for the cybersecurity industry, with geopolitical tensions and advancements in technology playing a significant role in shaping market dynamics. The Russia-Ukraine conflict has had unexpected repercussions, as cybersecurity measures in Ukraine and the broader international community have been positively impacted. The collaborative efforts in defending against Russian cyber-attacks have not only hardened Ukraine's digital defenses but have also facilitated the sharing of strategies and intelligence amongst the global community. This has helped in demystifying Russia's perceived cyber prowess and has highlighted the importance of international collaboration in cybersecurity.¹

However, the rapid evolution of AI technologies, such as OpenAI's ChatGPT, has raised concerns regarding their potential misuse. The sophistication of ChatGPT could be harnessed by malicious actors for cyber-attacks, and this poses new challenges to cybersecurity defenses. The industry needs to adapt quickly to counter AI-assisted threats. As the industry grapples with these new AI-related risks, companies that focus on AI-security integration are well-positioned for growth.²

The strong financial performance of companies in the cybersecurity sector reflects the industry's robust health. For instance, Zscaler surpassed earnings expectations in the second quarter, with revenues up 52% year-over-year. Zscaler's performance demonstrates the growing demand for cybersecurity services and indicates a positive trend for other companies in the space.³

Additionally, the inclusion of Palo Alto Networks into the S&P 500 is a testament to the cybersecurity industry's growth and its increasing importance in the wider market. This reflects investor confidence and the market's recognition of cybersecurity as a critical sector.⁴

Performance Attribution

For the six month period ending June 30, 2023, Palo Alto Networks Inc made the biggest contribution to the Fund, followed by Fortinet Inc. By weight, the Fund's largest holdings were Zscaler Inc, Palo Alto Networks Inc, and Booz Allen Hamilton Holding Corporation.

(1) <https://www.washingtonpost.com/technology/2023/02/25/ukraine-war-cyber-security/>

(2) <https://hbr.org/2023/04/the-new-risks-chatgpt-poses-to-cybersecurity>

(3) <https://finance.yahoo.com/news/zscaler-zs-q2-earnings-sales-114111209.html>

(4) <https://www.prnewswire.com/news-releases/palo-alto-networks-set-to-sp-500-others-to-join-sp-midcap-400-and-sp-smallcap-600-301841701.html>

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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 Independent Review Committee.

Management Fees

The Manager is entitled to an annual management fee of 0.40% of the net asset value of the Unhedged, Hedged, and US Dollar Unhedged ETF Units and the Hedged Class F Mutual Fund Units and 1.40% 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, 2023, the Fund incurred \$329,811 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 \$122,534 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; fees payable to the index provider, 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	35.94	53.47	51.08	30.67	25.68	21.56
Increase (decrease) from operations:						
Total revenue	0.04	0.22	0.27	0.20	0.14	0.13
Total expenses	(0.13)	(0.30)	(0.39)	(0.30)	(0.24)	(0.23)
Realized gains (losses)	(2.31)	(1.02)	7.57	3.02	1.19	0.71
Unrealized gains (losses)	8.22	(16.22)	(5.27)	18.97	2.68	0.08
Total increase (decrease) from operations²	5.82	(17.32)	2.18	21.89	3.77	0.69
Distributions:						
From income (excluding dividends)	(0.06)	-	-	-	-	-
From capital gains	-	(0.11)	(0.10)	(0.05)	(0.05)	-
Return of capital	-	(0.01)	(0.01)	(0.01)	(0.01)	(0.06)
Total annual distributions³	(0.06)	(0.12)	(0.11)	(0.06)	(0.06)	(0.06)
Net Assets per Unit, end of period	41.82	35.94	53.47	51.08	30.67	25.68

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

	June 30, 2023	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018
For the periods ended:	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Hedged ETF Units - Net Assets per Unit						
Net Assets per Unit, beginning of period	31.20	49.38	46.82	28.33	22.77	20.94
Increase (decrease) from operations:						
Total revenue	0.03	0.21	0.26	0.17	0.13	0.15
Total expenses	(0.11)	(0.27)	(0.36)	(0.26)	(0.20)	(0.21)
Realized gains (losses)	(1.09)	(2.24)	6.02	4.05	0.73	(0.53)
Unrealized gains (losses)	7.19	(15.98)	(3.39)	15.80	3.91	(5.80)
Total increase (decrease) from operations²	6.02	(18.28)	2.53	19.76	4.57	(6.39)
Distributions:						
From income (excluding dividends)	(0.06)	-	-	-	-	-
From capital gains	-	(0.11)	(0.10)	(0.05)	(0.05)	-
Return of capital	-	(0.01)	(0.01)	(0.01)	(0.01)	(0.06)
Total annual distributions³	(0.06)	(0.12)	(0.11)	(0.06)	(0.06)	(0.06)
Net Assets per Unit, end of period	37.26	31.20	49.38	46.82	28.33	22.77
US Dollar Unhedged ETF Units - Net Assets per Unit⁴						
Net Assets per Unit, beginning of period	48.35	71.93	68.72	41.26	40.99	N/A
Increase (decrease) from operations:						
Total revenue	0.05	0.30	0.38	0.29	0.15	N/A
Total expenses	(0.18)	(0.40)	(0.52)	(0.41)	(0.20)	N/A
Realized gains (losses)	(3.25)	(1.73)	10.06	3.64	1.16	N/A
Unrealized gains (losses)	10.80	(22.52)	(5.38)	26.29	(0.22)	N/A
Total increase (decrease) from operations²	7.42	(24.35)	4.54	29.81	0.89	N/A
Distributions:						
From income (excluding dividends)	(0.08)	-	-	-	-	N/A
From capital gains	-	(0.16)	(0.13)	(0.07)	(0.04)	N/A
Return of capital	-	(0.01)	(0.01)	(0.01)	(0.01)	N/A
Total annual distributions³	(0.08)	(0.17)	(0.14)	(0.08)	(0.05)	N/A
Net Assets per Unit, end of period	56.25	48.35	71.93	68.72	41.26	N/A
Hedged Class A - Net Assets per Unit						
Net Assets per Unit, beginning of period	21.99	35.25	33.79	19.68	20.39	N/A
Increase (decrease) from operations:						
Total revenue	0.02	0.15	0.20	0.16	0.10	N/A
Total expenses	(0.21)	(0.50)	(0.65)	(0.52)	(0.26)	N/A
Realized gains (losses)	(0.76)	(1.87)	4.08	3.13	0.56	N/A
Unrealized gains (losses)	5.13	(10.73)	(2.09)	16.79	0.23	N/A
Total increase (decrease) from operations²	4.18	(12.95)	1.54	19.56	0.63	N/A
Distributions:						
From income (excluding dividends)	(0.06)	-	-	-	-	N/A
From capital gains	-	(0.11)	(0.10)	(0.05)	(0.03)	N/A
Return of capital	-	(0.01)	(0.01)	(0.01)	(0.01)	N/A
Total annual distributions³	(0.06)	(0.12)	(0.11)	(0.06)	(0.04)	N/A
Net Assets per Unit, end of period	26.10	21.99	35.25	33.79	19.68	N/A

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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
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Hedged Class F - Net Assets per Unit						
Net Assets per Unit, beginning of period	23.13	36.63	34.75	19.94	20.38	N/A
Increase (decrease) from operations:						
Total revenue	0.02	0.17	0.19	0.14	0.07	N/A
Total expenses	(0.08)	(0.21)	(0.27)	(0.21)	(0.01)	N/A
Realized gains (losses)	(0.71)	(1.10)	4.43	3.73	0.75	N/A
Unrealized gains (losses)	5.52	(13.16)	(2.91)	12.18	(0.87)	N/A
Total increase (decrease) from operations²	4.75	(14.30)	1.44	15.84	(0.06)	N/A
Distributions:						
From income (excluding dividends)	(0.06)	-	-	-	-	N/A
From capital gains	-	(0.11)	(0.10)	(0.05)	-	N/A
Return of capital	-	(0.01)	(0.01)	(0.01)	-	N/A
Total annual distributions³	(0.06)	(0.12)	(0.11)	(0.06)	-	N/A
Net Assets per Unit, end of period	27.60	23.13	36.63	34.75	19.94	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 and Hedged ETF Units effectively began operations on September 18, 2017, the US Dollar Unhedged ETF Units effectively began operations on May 14, 2019, and the Hedged Class A and F Mutual Fund Units effectively began operations on April 23, 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.
- 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	December 31, 2019	December 31, 2018
Unhedged ETF Units - Ratios/Supplemental Data						
Total Net Asset Value (\$) ⁵	14,635,427	13,476,661	40,104,952	40,865,613	10,734,486	4,494,132
Number of units outstanding ⁵	350,000	375,000	750,000	800,000	350,000	175,000
Management expense ratio ⁶	0.64%	0.63%	0.62%	0.63%	0.66%	0.67%
Trading expense ratio ⁷	0.03%	0.03%	0.05%	0.05%	0.05%	0.11%
Portfolio turnover rate ⁸	20.01%	51.07%	61.15%	43.96%	63.20%	46.59%
Net Asset Value per unit (\$)	41.82	35.94	53.47	51.08	30.67	25.68
Closing market price (\$)	42.16	35.97	53.76	51.24	30.67	25.55
Hedged ETF Units - Ratios/Supplemental Data						
Total Net Asset Value (\$) ⁵	127,608,012	116,209,671	213,584,316	152,180,066	60,191,859	34,722,940
Number of units outstanding ⁵	3,425,000	3,725,000	4,325,000	3,250,000	2,125,000	1,525,000
Management expense ratio ⁶	0.63%	0.62%	0.62%	0.63%	0.63%	0.67%
Trading expense ratio ⁷	0.03%	0.03%	0.05%	0.05%	0.05%	0.11%
Portfolio turnover rate ⁸	20.01%	51.07%	61.15%	43.96%	63.20%	46.59%
Net Asset Value per unit (\$)	37.26	31.20	49.38	46.82	28.33	22.77
Closing market price (\$)	37.36	30.96	49.50	46.96	28.32	22.77

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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	December 31, 2019	December 31, 2018
US Dollar Unhedged ETF Units - Ratios/Supplemental Data						
Total Net Asset Value (\$) ⁵	4,218,638	4,834,676	8,991,091	5,153,646	1,031,495	N/A
Number of units outstanding ⁵	75,000	100,000	125,000	75,000	25,000	N/A
Management expense ratio ⁶	0.65%	0.62%	0.62%	0.63%	0.64%	N/A
Trading expense ratio ⁷	0.03%	0.03%	0.05%	0.05%	0.05%	N/A
Portfolio turnover rate ⁸	20.01%	51.07%	61.15%	43.96%	63.20%	N/A
Net Asset Value per unit (\$)	56.25	48.35	71.93	68.72	41.26	N/A
Closing market price (\$)	56.39	48.38	71.94	68.43	41.24	N/A
Hedged Class A - Ratios/Supplemental Data						
Total Net Asset Value (\$) ⁵	1,359,816	1,271,690	1,912,676	518,127	17,220	N/A
Number of units outstanding ⁵	52,108	57,832	54,261	15,333	875	N/A
Management expense ratio ⁶	1.76%	1.76%	1.75%	1.74%	1.75%	N/A
Trading expense ratio ⁷	0.03%	0.03%	0.05%	0.05%	0.05%	N/A
Portfolio turnover rate ⁸	20.01%	51.07%	61.15%	43.96%	63.20%	N/A
Net Asset Value per unit (\$)	26.10	21.99	35.25	33.79	19.68	N/A
Hedged Class F - Ratios/Supplemental Data						
Total Net Asset Value (\$) ⁵	1,874,004	1,509,938	3,766,873	2,411,675	20	N/A
Number of units outstanding ⁵	67,904	65,293	102,822	69,407	1	N/A
Management expense ratio ⁶	0.63%	0.62%	0.63%	0.63%	0.00%	N/A
Trading expense ratio ⁷	0.03%	0.03%	0.05%	0.05%	0.05%	N/A
Portfolio turnover rate ⁸	20.01%	51.07%	61.15%	43.96%	63.20%	N/A
Net Asset Value per unit (\$)	27.60	23.13	36.63	34.75	19.94	N/A

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

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.

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.

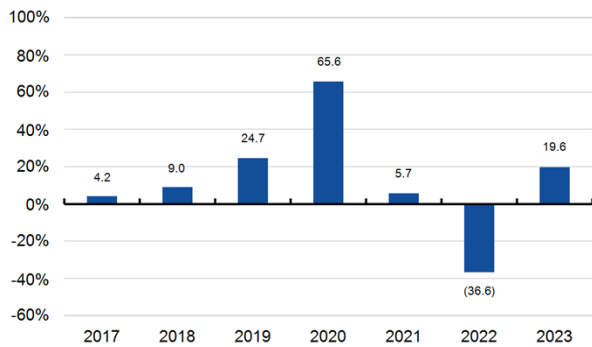
Year-by-Year Returns

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

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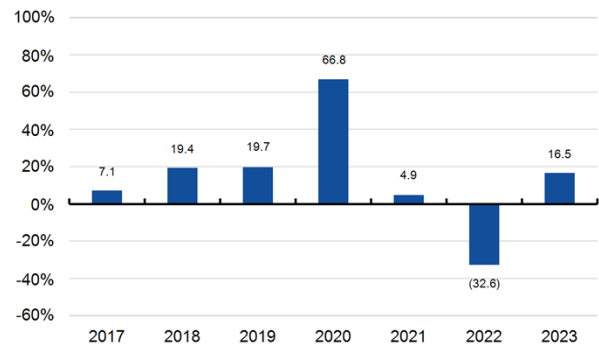
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CYBR Hedged ETF Units¹



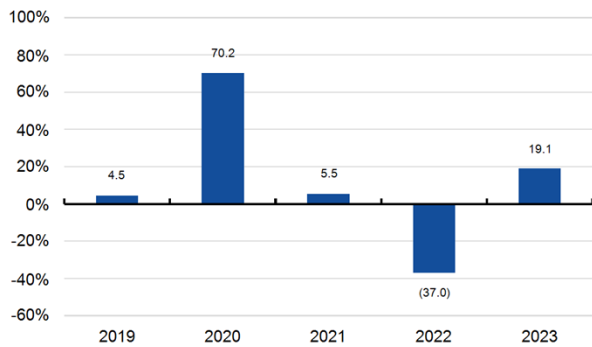
1 The Hedged ETF Units of the Fund effectively began operations on September 18, 2017.

CYBR/B Unhedged ETF Units²



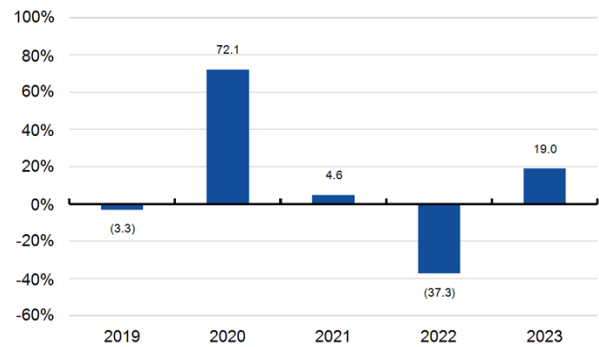
2 The Unhedged ETF Units of the Fund effectively began operations on September 18, 2017.

CYBR/U US Dollar Unhedged ETF Units³



3 The US Dollar Unhedged ETF Units of the Fund effectively began operations on May 14, 2019. Returns presented based on NAV equivalent in USD.

Hedged Class A Mutual Fund Units⁴

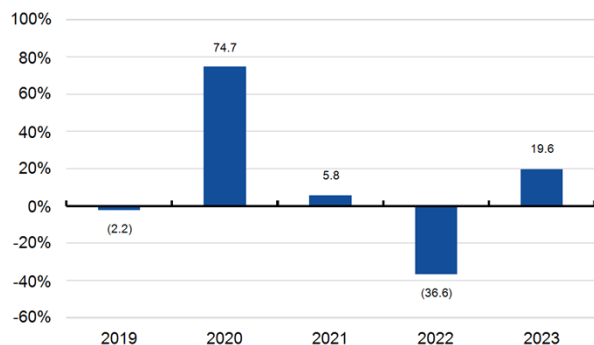


4 The Hedged Class A Mutual Fund Units of the Fund effectively began operations on April 23, 2019.

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Hedged Class F Mutual Fund Units⁵



⁵ The Hedged Class F Mutual Fund Units of the Fund effectively began operations on April 23, 2019.

Summary of Investment Portfolio

Top 25 Positions

	Percentage of Net Asset Value (%)
Security	
Zscaler Inc.	9.7
Palo Alto Networks Inc.	9.0
Booz Allen Hamilton Holding Corporation, Class 'A'	8.1
Fortinet Inc.	7.8
CrowdStrike Holdings Inc.	7.6
Check Point Software Technologies Limited	6.7
Okta Inc.	6.6
CACI International Inc.	5.6
Trend Micro Inc.	4.8
CyberArk Software Limited	4.5
Tenable Holdings Inc.	3.5
Qualys Inc.	3.4
NEXTDC Limited	2.9
SentinelOne Inc.	2.3
BlackBerry Limited	2.2
Varonis Systems Inc.	2.0
Darktrace PLC	1.9
Rapid7 Inc.	1.9
Netcompany Group A/S	1.5
GDS Holdings Limited, ADR	1.5
Chindata Group Holdings Limited	0.9
Change Holdings Inc.	0.8
A10 Networks Inc.	0.8
ForgeRock Inc.	0.7
Radware Limited	0.6
Total	97.3

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Industry Allocation

Portfolio by Category	Percentage of Net Asset Value (%)
Equities	
Communication Services	0.8
Industrials	13.7
Information Technology	84.9
Derivative Assets	0.2
Derivative Liabilities	(0.1)
Cash and Cash Equivalents	0.6
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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