

Evolve Active Global Fixed Income Fund

December 31, 2024

Annual Management Report of Fund Performance

This annual management report of fund performance contains financial highlights but does not contain the complete annual financial statements of the investment fund. You can get a copy of the annual 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 Global Fixed Income Fund (the "Fund") seeks to generate positive returns throughout the interest rate and economic cycles, firstly by allocating to different credit asset classes, and also through bottom-up individual security selection. The Fund seeks to provide long term returns in excess of the 3-month U.S. dollar Secured Overnight Financing Rate by investing primarily in global debt securities of corporate issuers.

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 year ended December 31, 2024, Hedged ETF Units returned 5.9%. The Hedged Class A Mutual Fund Units returned 6.8% and the Hedged Class F Mutual Fund Units returned 6.4%. The Fund's net assets were \$24.7MM as at December 31, 2024.

Portfolio Manager Commentary

2024 was marked by dynamic shifts in global markets, shaped by central bank policies, economic resilience, and geopolitical developments. At the beginning of the year, the Federal Reserve and other central banks maintained a strict monetary policy stance, but became more lenient as inflation dampened and growth was suppressed as the year continued. While global yield curves experienced periods of volatility, short-duration strategies consistently outperformed broader benchmarks, underscoring the importance of tactical duration management.

Corporate credit proved resilient, with spreads tightening across most segments. Strong corporate earnings, driven by consumer spending and selective industry recoveries, supported sentiment despite pressures in sectors like automotive, real estate, and airlines. Notably, technology stocks led equity market gains, reflecting optimism around innovation and artificial intelligence (AI) related growth.

The Fund's strategy capitalized on these trends through disciplined portfolio management. Short-duration positioning mitigated interest rate volatility, while active credit selection across sectors such as banking, healthcare, and telecoms enhanced performance. Geographic diversification, including selective emerging market exposure, further bolstered returns. Despite tight spreads, tactical rotations into attractively priced new issues and defensive assets such as securitized instruments contributed positively.

Looking forward, the global macroeconomic landscape appears supportive of corporate credit investments. Central banks are signaling further rate cuts, though the timing remains uncertain, while resilient consumers and moderate growth expectations provide a stable foundation. The Fund's strategy remains focused on balancing carry, roll-down, and selective credit opportunities, ensuring robust performance amidst changing market conditions.

Source: Allianz Global Investors GmbH

Recent Developments

In 2025, trade tensions have escalated as the United States considers imposing new tariffs on key trading partners, including Canada and Mexico, along with broader reciprocal measures on other nations. In response, affected countries may enact retaliatory tariffs, further increasing uncertainty in global trade. These developments have contributed to heightened market volatility and could disrupt global supply chains, particularly impacting trade-sensitive sectors. The duration and full impact of these events remain uncertain, and as such, the financial implications for investments cannot be estimated at this time.

Related Party Transactions

Evolve Funds Group Inc. (the "Manager"), a corporation incorporated under the laws of the Province of Ontario, is the trustee, manager, and portfolio advisor of the Fund and is responsible for the day-to-day administration of the Fund. The Fund pays annual management fees to the Manager as consideration for its services. Any management fees paid to the Manager are related party transactions, as the Manager is considered to be a related party to the Fund. The management fees are disclosed in the statements of comprehensive income in the annual financial statements of the Fund and are discussed in greater detail below.

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The Fund is permitted to purchase, sell and hold securities of certain issuers that are directly or indirectly related to the Manager. With respect to investment in related issuers, the Manager has relied on the approval that it has received from the Investment Review Committee ("IRC"). The Manager complies with its current policy and procedures regarding investments in related issuers and reports periodically to the IRC.

Management Fees

The Manager is entitled to an annual management fee of 0.65% of the net asset value of the Hedged 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 year ended December 31, 2024, the Fund incurred \$154,024 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 year ended December 31, 2024, the Fund incurred \$36,890 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

	December 31, 2024 (\$)	December 31, 2023 (\$)	December 31, 2022 (\$)	December 31, 2021 (\$)	December 31, 2020 (\$)
For the periods ended:					
Hedged ETF Units - Net Assets per Unit					
Net Assets per Unit, beginning of period	47.71	45.73	49.26	50.22	51.36
Increase (decrease) from operations:					
Total revenue	2.38	2.06	1.54	1.68	1.83
Total expenses	(0.43)	(0.45)	(0.44)	(0.43)	(0.48)
Realized gains (losses)	0.56	(1.27)	(3.26)	1.66	(1.94)
Unrealized gains (losses)	0.31	3.14	(0.12)	(2.39)	0.38
Total increase (decrease) from operations²	2.82	3.48	(2.28)	0.52	(0.21)
Distributions:					
From income (excluding dividends)	(1.72)	(1.50)	(1.50)	(1.18)	(1.07)
From capital gains	-	-	-	(0.03)	-
Return of capital	-	-	-	(0.29)	(0.43)
Total annual distributions³	(1.72)	(1.50)	(1.50)	(1.50)	(1.50)
Net Assets per Unit, end of period	48.78	47.71	45.73	49.26	50.22

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

For the periods ended:	December 31, 2024	December 31, 2023	December 31, 2022	December 31, 2021	December 31, 2020
	(\$)	(\$)	(\$)	(\$)	(\$)
Hedged Class A - Net Assets per Unit					
Net Assets per Unit, beginning of period	49.82	45.57	47.78	48.94	50.46
Increase (decrease) from operations:					
Total revenue	2.64	2.29	1.48	1.76	1.75
Total expenses	(0.01)	(0.01)	(0.81)	(0.87)	(0.88)
Realized gains (losses)	0.59	(1.30)	(0.86)	(0.56)	1.43
Unrealized gains (losses)	0.14	3.27	(4.38)	(0.51)	1.72
Total increase (decrease) from operations²	3.36	4.25	(4.57)	(0.18)	4.02
Distributions:					
From income (excluding dividends)	-	-	(0.42)	(1.49)	(1.39)
Return of capital	-	-	(0.08)	(0.01)	(0.04)
Total annual distributions³	-	-	(0.50)	(1.50)	(1.43)
Net Assets per Unit, end of period	53.25	49.82	45.57	47.78	48.94
Hedged Class F - Net Assets per Unit					
Net Assets per Unit, beginning of period	49.72	47.61	50.99	50.61	51.61
Increase (decrease) from operations:					
Total revenue	2.50	2.17	1.61	1.20	1.86
Total expenses	(0.50)	(0.48)	(0.47)	-	(0.48)
Realized gains (losses)	0.87	(1.32)	(3.99)	1.66	(2.12)
Unrealized gains (losses)	0.48	3.39	1.63	(2.49)	0.56
Total increase (decrease) from operations²	3.35	3.76	(1.22)	0.37	(0.18)
Distributions:					
From income (excluding dividends)	(1.00)	(1.50)	(0.91)	-	(0.02)
Return of capital	-	-	(0.09)	-	(1.41)
Total annual distributions³	(1.00)	(1.50)	(1.00)	-	(1.43)
Net Assets per Unit, end of period	52.40	49.72	47.61	50.99	50.61

- 1 This information is derived from the Fund's audited annual financial statements as at December 31, 2024, 2023, 2022, 2021, and 2020. The Hedged ETF Units effectively began operations on November 9, 2018 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.

The Fund's Ratios/Supplemental Data

For the periods ended:	December 31, 2024	December 31, 2023	December 31, 2022	December 31, 2021	December 31, 2020
Hedged ETF Units - Ratios/Supplemental Data					
Total Net Asset Value (\$) ⁴	24,656,271	20,541,074	27,917,680	29,578,373	30,658,805
Number of units outstanding ⁴	505,505	430,505	610,505	600,505	610,505
Management expense ratio ⁵	0.82%	0.91%	0.90%	0.84%	0.92%
Trading expense ratio ⁶	0.04%	0.05%	0.03%	0.03%	0.04%
Portfolio turnover rate ⁷	96.30%	92.64%	75.04%	80.75%	90.99%
Net Asset Value per unit (\$)	48.78	47.71	45.73	49.26	50.22
Closing market price (\$)	48.75	47.70	45.71	49.37	50.13

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

For the periods ended:	December 31, 2024	December 31, 2023	December 31, 2022	December 31, 2021	December 31, 2020
Hedged Class A - Ratios/Supplemental Data					
Total Net Asset Value (\$) ⁴	59	55	50	2,045	503,809
Number of units outstanding ⁴	1	1	1	43	10,294
Management expense ratio ⁵	0.00%	0.00%	1.73%	1.76%	1.76%
Trading expense ratio ⁶	0.04%	0.05%	0.03%	0.03%	0.04%
Portfolio turnover rate ⁷	96.30%	92.64%	75.04%	80.75%	90.99%
Net Asset Value per unit (\$)	53.25	49.82	45.57	47.78	48.94
Hedged Class F - Ratios/Supplemental Data					
Total Net Asset Value (\$) ⁴	59	2,631	1,951	53	53
Number of units outstanding ⁴	1	53	41	1	1
Management expense ratio ⁵	0.90%	0.94%	0.96%	0.00%	0.93%
Trading expense ratio ⁶	0.04%	0.05%	0.03%	0.03%	0.04%
Portfolio turnover rate ⁷	96.30%	92.64%	75.04%	80.75%	90.99%
Net Asset Value per unit (\$)	52.40	49.72	47.61	50.99	50.61

4 This information is provided as at December 31, 2024, 2023, 2022, 2021, and 2020.

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 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.

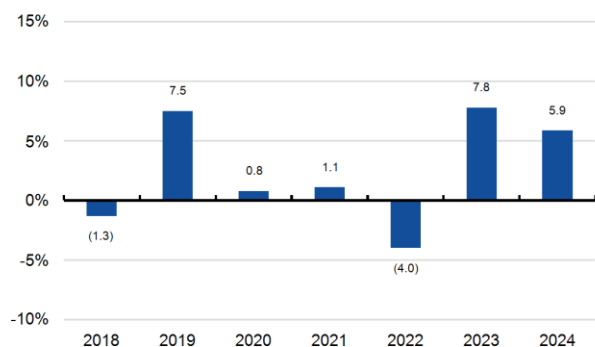
Year-by-Year Returns

The bar chart below shows the Hedged ETF Units' and the Hedged Class A and F Mutual Fund Units' performance for each of the financial years shown. 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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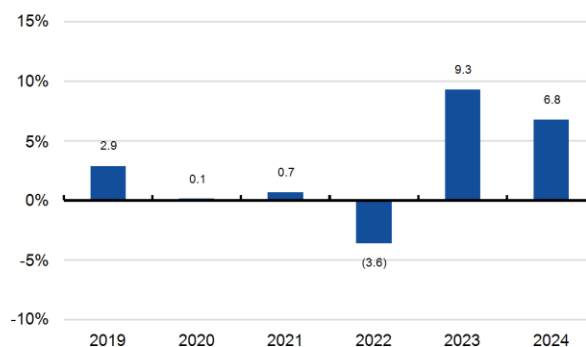
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EARN Hedged ETF Units¹



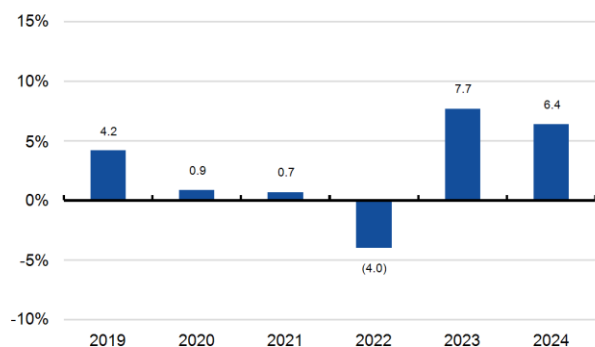
1 The Hedged ETF Units of the Fund effectively began operations on November 9, 2018.

Hedged Class A Mutual Fund Units²



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

Hedged Class F Mutual Fund Units³



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

Annual Compound Return

The table below shows the historical annual compound total return of the Hedged ETF Units and the Hedged Class A and F Mutual Fund Units. The returns are for the period ended December 31, 2024. As a basis of comparison, we have provided the performance of ICE BofA 1-5 Year Global Corporate Index (100% CAD Hedged) (the "Index"). The difference in performance of the Hedged ETF Units, and the Hedged Class A and F Mutual Fund Units relative to the Index can be attributed to the difference of criteria for determining the constituents of the Fund and the Index, it is not expected that the Fund's performance will mirror that of the Index. Additionally, the return of the Index is calculated without the deduction of management fees and fund expenses whereas the performance of the Fund is calculated after deducting such fees and expenses.

	Since Inception ¹ (%)	1 Year (%)	3 Year (%)	5 Year (%)
Hedged ETF Units	2.8	5.9	3.1	2.2
ICE BofA 1-5 Year Global Corporate Index (100% CAD Hedged) ²	2.5	4.9	1.6	2.4
Hedged Class A Mutual Fund Units	2.7	6.8	4.0	2.5
ICE BofA 1-5 Year Global Corporate Index (100% CAD Hedged) ²	2.2	4.9	1.6	2.4
Hedged Class F Mutual Fund Units	2.7	6.4	3.2	2.3

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	Since Inception ¹ (%)	1 Year (%)	3 Year (%)	5 Year (%)
ICE BofA 1-5 Year Global Corporate Index (100% CAD Hedged) ²	2.2	4.9	1.6	2.4

- 1 From inception date of November 9, 2018 for the Hedged ETF Units and from inception date of April 23, 2019 for the Hedged Class A and F Mutual Fund Units.
- 2 The Index is a benchmark that tracks the performance of investment-grade corporate bonds issued globally, with maturities between one and five years. The Index is market-capitalization weighted, rebalances monthly, and is hedged to Canadian Dollars.

Summary of Investment Portfolio

Top 25 Positions

Security	Percentage of Net Asset Value (%)
Intesa Sanpaolo SpA, 8.51% due September 20, 2032	1.6
Banco Bilbao Vizcaya Argentaria SA, Variable, Callable, 8.25% due November 30, 2033	1.6
CPUK Finance Limited, Callable, 5.88% due August 28, 2027	1.5
Hammerson PLC, 3.50% due October 27, 2025	1.4
Walgreens Boots Alliance Inc., Callable, 3.60% due November 20, 2025	1.4
Marks and Spencer PLC, Callable, 4.50% due July 10, 2027	1.4
Abanca Corporation Bancaria SA, Variable, Callable, 8.38% due September 23, 2033	1.4
Grainger PLC, 3.38% due April 24, 2028	1.4
Phoenix Group Holdings PLC, Variable, Callable, Perpetual, 5.75% due December 31, 2049	1.4
Heathrow Finance PLC, 4.13% due September 1, 2029	1.3
Vodafone Group PLC, Variable, Callable, 6.50% due August 30, 2084	1.3
Commerzbank AG, Variable, Callable, Perpetual, 7.88% due December 31, 2049	1.3
Unibail-Rodamco-Westfield SE, Variable, Callable, Perpetual, 7.25% due December 31, 2049	1.3
Zions Bancorp NA, Callable, 3.25% due October 29, 2029	1.3
ABN AMRO Bank NV, Variable, Callable, Perpetual, 6.88% due December 31, 2049	1.3
Assicurazioni Generali SpA, Variable, Callable, 5.00% due June 8, 2048	1.3
TDC Net A/S, Callable, 5.19% due August 2, 2029	1.3
Last Mile Logistics Pan Euro Finance DAC, Series '1X', Class 'A', Floating Rate, 3.76% due August 17, 2033	1.2
Ford Motor Credit Company LLC, Callable, 7.35% due March 6, 2030	1.2
Mapfre SA, Variable, Callable, 4.38% due March 31, 2047	1.2
FCT Credit Agricole Habitat, Series '24-1', Class 'A1', Callable, 3.91% due December 27, 2061	1.2
Telecom Italia SpA, Callable, 2.75% due April 15, 2025	1.2
Bertelsmann SE & Company KGaA, Variable, Callable, 3.50% due April 23, 2075	1.2
ASR Nederland NV, Variable, Callable, 3.38% due May 2, 2049	1.2
Petroleos Mexicanos, 3.63% due November 24, 2025	1.2
Total	33.1

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Industry Allocation

Portfolio by Category	Percentage of Net Asset Value (%)
Debt Instruments	
Asset-Backed Securities	6.8
Communication Services	11.8
Consumer Discretionary	12.5
Consumer Staples	0.3
Energy	5.3
Financials	36.8
Health Care	5.6
Industrials	9.9
Materials	1.8
Real Estate	4.7
Utilities	1.2
Derivative Assets	0.0
Derivative Liabilities	(1.2)
Cash and Cash Equivalents	3.7
Other Assets, less Liabilities	0.8
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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