

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

For the year ended December 31, 2024, the Unhedged ETF Units returned 4.5%, the Unhedged Class A Mutual Fund Units returned 4.2%, the Unhedged Class F Mutual Fund Units returned 4.5%, and the Unhedged Class I Mutual Fund Units returned 4.7% after fees and expenses, versus the Bank of Canada Treasury Bills One Month return of 4.4%. The Fund invested solely in bank deposits with Schedule 1 Canadian banks. The Fund's net assets were \$3,406.2MM as at December 31, 2024.

Portfolio Manager Commentary

In 2024, the Bank of Canada (BoC) embarked on an aggressive rate-cutting cycle, reducing the overnight rate five times throughout the period. The year began with an overnight rate of 5.00%, and was reduced to 3.25% by the end of the year. A softer labor market and cooling inflation were the primary drivers behind the BoC's decision to cut rates, as the central bank sought to provide support in a slowing economic environment.

In June, the BoC initiated its first rate cut in four years, reducing the overnight rate by 25 basis points¹. This marked a pivotal moment, reflecting the central bank's confidence that inflationary pressures were easing. By mid-year, inflation, as measured by the Consumer Price Index (CPI), had decreased significantly from its prior highs with headline inflation declining to within the BoC's target range of 2.00% to 3.00%, a stark contrast to the persistent price growth seen in previous years.

At its December meeting, the BoC delivered a larger-than-expected 50 basis point cut, its second consecutive 50 basis point reduction and the fifth rate cut of the year. This brought the overnight rate to 3.25%, the lowest level since the tightening cycle ended². While the BoC signaled additional rate cuts may be on the horizon, it indicated a preference for smaller 25 basis point adjustments moving forward.

Despite the ongoing rate-cuts, high interest savings account funds continue to offer liquidity and capital preservation amid uncertain economic conditions, with many Canadian investors relying on these investment vehicles as a reliable source of monthly income while safeguarding against the eroding effects of inflation.

(1) <https://www.bankofcanada.ca/2024/06/fad-press-release-2024-06-05/>

(2) <https://www.canadalife.com/investment-management/news-insights/monthly-market-update-december-2024.html>

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.

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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.

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 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 year ended December 31, 2024, the Fund incurred \$8,818,247 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.evolveefs.com website, and providing all other services including marketing and promotion.

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

	December 31, 2024 (\$)	December 31, 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	50.01	50.01	50.00	50.00	50.01
Increase (decrease) from operations:					
Total revenue	2.28	2.61	1.64	0.37	0.45
Total expenses	(0.08)	(0.08)	(0.04)	(0.09)	(0.08)
Total increase (decrease) from operations²	2.20	2.53	1.60	0.28	0.37
Distributions:					
From income (excluding dividends)	(2.21)	(2.60)	(1.14)	(0.28)	(0.44)
Return of capital	-	-	-	-	(0.01)
Total annual distributions³	(2.21)	(2.60)	(1.14)	(0.28)	(0.45)
Net Assets per Unit, end of period	50.00	50.01	50.01	50.00	50.00

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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 (\$)
Unhedged Class A - Net Assets per Unit					
Net Assets per Unit, beginning of period	10.00	10.00	10.00	10.00	10.00
Increase (decrease) from operations:					
Total revenue	0.46	0.52	0.32	0.07	0.08
Total expenses	(0.04)	(0.04)	(0.04)	(0.04)	(0.04)
Total increase (decrease) from operations²	0.42	0.48	0.28	0.03	0.04
Distributions:					
From income (excluding dividends)	(0.41)	(0.47)	(0.19)	(0.03)	(0.06)
Total annual distributions³	(0.41)	(0.47)	(0.19)	(0.03)	(0.06)
Net Assets per Unit, end of period	10.00	10.00	10.00	10.00	10.00
Unhedged Class F - Net Assets per Unit					
Net Assets per Unit, beginning of period	10.00	10.00	10.00	10.00	10.00
Increase (decrease) from operations:					
Total revenue	0.47	0.52	0.32	0.07	0.08
Total expenses	(0.02)	(0.01)	(0.02)	(0.01)	(0.02)
Total increase (decrease) from operations²	0.45	0.51	0.30	0.06	0.06
Distributions:					
From income (excluding dividends)	(0.44)	(0.50)	(0.22)	(0.06)	(0.07)
Total annual distributions³	(0.44)	(0.50)	(0.22)	(0.06)	(0.07)
Net Assets per Unit, end of period	10.00	10.00	10.00	10.00	10.00
Unhedged Class I - Net Assets per Unit					
Net Assets per Unit, beginning of period	10.00	10.00	10.00	N/A	N/A
Increase (decrease) from operations:					
Total revenue	0.46	0.53	0.42	N/A	N/A
Total increase (decrease) from operations²	0.46	0.53	0.42	N/A	N/A
Distributions:					
From income (excluding dividends)	(0.46)	(0.52)	(0.18)	N/A	N/A
Total annual distributions³	(0.46)	(0.52)	(0.18)	N/A	N/A
Net Assets per Unit, end of period	10.00	10.00	10.00	N/A	N/A

- 1 This information is derived from the Fund's audited annual financial statements as at December 31, 2024, 2023, 2022, 2021, and 2020. The Unhedged ETF Units effectively began operations on November 19, 2019. The Unhedged Class A and F Mutual Fund Units effectively began operations on January 16, 2020. The Unhedged Class I Mutual Fund Units effectively began operations on April 26, 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

For the period ended:	December 31, 2024	December 31, 2023	December 31, 2022	December 31, 2021	December 31, 2020
Unhedged ETF Units - Ratios/Supplemental Data					
Total Net Asset Value (\$) ⁴	1,322,500,000	1,700,461,252	1,385,336,504	262,503,743	527,508,646
Number of units outstanding ⁴	26,450,000	34,000,000	27,700,000	5,250,000	10,550,000
Management expense ratio ⁵	0.17%	0.16%	0.07%	0.17%	0.17%
Trading expense ratio ⁶	0.00%	0.00%	0.00%	0.00%	0.00%
Net Asset Value per unit (\$)	50.00	50.01	50.01	50.00	50.00
Closing market price (\$)	50.03	50.01	50.02	50.00	50.00

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

For the period ended:	December 31, 2024	December 31, 2023	December 31, 2022	December 31, 2021	December 31, 2020
Unhedged Class A - Ratios/Supplemental Data					
Total Net Asset Value (\$) ⁴	627,257,400	1,146,850,922	476,818,252	69,240,875	66,136,309
Number of units outstanding ⁴	62,725,740	114,655,758	47,676,846	6,924,088	6,613,625
Management expense ratio ⁵	0.45%	0.45%	0.45%	0.45%	0.44%
Trading expense ratio ⁶	0.00%	0.00%	0.00%	0.00%	0.00%
Net Asset Value per unit (\$)	10.00	10.00	10.00	10.00	10.00
Unhedged Class F - Ratios/Supplemental Data					
Total Net Asset Value (\$) ⁴	1,266,276,847	2,276,285,406	1,124,970,973	185,678,433	119,646,534
Number of units outstanding ⁴	126,627,685	227,566,817	112,484,492	18,567,844	11,964,655
Management expense ratio ⁵	0.17%	0.17%	0.17%	0.17%	0.16%
Trading expense ratio ⁶	0.00%	0.00%	0.00%	0.00%	0.00%
Net Asset Value per unit (\$)	10.00	10.00	10.00	10.00	10.00
Unhedged Class I - Ratios/Supplemental Data					
Total Net Asset Value (\$) ⁴	190,178,410	161,498,620	41,285,811	N/A	N/A
Number of units outstanding ⁴	19,017,841	16,145,333	4,128,099	N/A	N/A
Management expense ratio ^{5,7}	0.00%	0.00%	0.00%	N/A	N/A
Trading expense ratio ⁶	0.00%	0.00%	0.00%	N/A	N/A
Net Asset Value per unit (\$)	10.00	10.00	10.00	N/A	N/A

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 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

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.

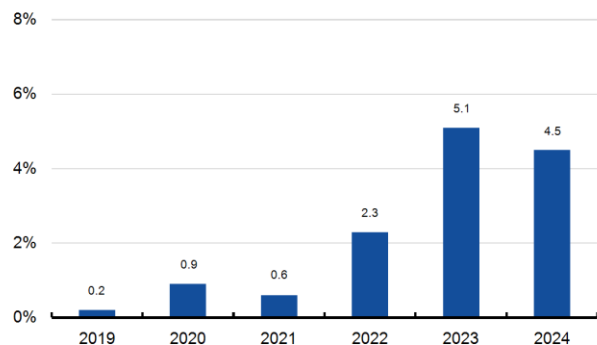
Year-by-Year Returns

The bar chart below shows the Unhedged ETF Units' and the Unhedged Class A, F and I 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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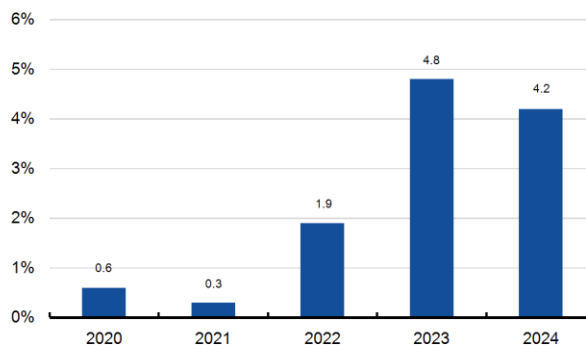
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HISA Unhedged ETF Units¹



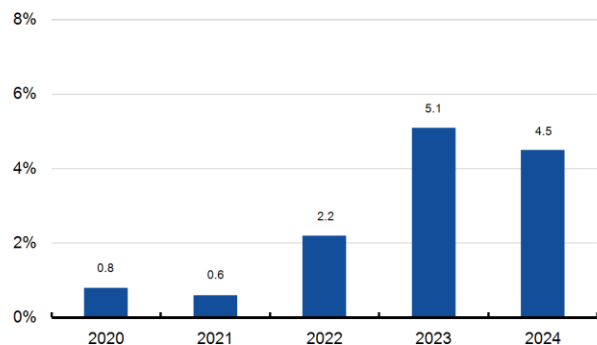
1 The Unhedged ETF Units of the Fund effectively began operations on November 19, 2019.

Unhedged Class A Mutual Fund Units²



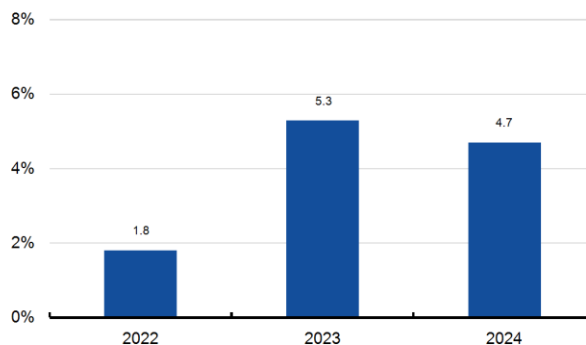
2 The Unhedged Class A Mutual Fund Units of the Fund effectively began operations on January 16, 2020.

Unhedged Class F Mutual Fund Units³



3 The Unhedged Class F Mutual Fund Units of the Fund effectively began operations on January 16, 2020.

Unhedged Class I Mutual Fund Units⁴



4 The Unhedged Class I Mutual Fund Units of the Fund effectively began operations on April 26, 2022.

Summary of Investment Portfolio

All Positions

Top Holdings	Percentage of Net Asset Value (%)
National Bank of Canada Cash Account	49.4
Scotiabank Cash Account	46.6
BMO Cash Account	3.8
CIBC Cash Account	0.0
Total	99.8

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Industry Allocation

Portfolio by Category	Percentage of Net Asset Value (%)
Bank Deposits	
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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