

US Premium Cash Management 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 US Premium Cash Management Fund (the "Fund") seeks to maximize current income, while at the same time preserving capital and maintaining liquidity, by investing primarily in U.S. dollar-denominated high-quality short term debt securities (with a term to maturity of 365 days or less).

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, Unhedged ETF Units returned 5.5%. The Unhedged Class A Mutual Fund Units returned 5.2% and the Unhedged Class F Mutual Fund Units returned 5.5%. The Fund's net assets were \$42.8MM as at December 31, 2024.

Portfolio Manager Commentary

In 2024, the United States Federal Reserve (the Fed) made a notable shift in its monetary policy, cutting the overnight rate for the first time since its aggressive rate-hiking cycle began to combat rising inflation. At the start of the year, the Fed's overnight rate was 5.5%. By year-end, it had declined to 4.5%.

The easing cycle commenced in September with a surprising 50 basis point reduction, catching markets off guard after months of hawkish rhetoric from Fed Chair Jerome Powell. Powell had repeatedly emphasized the risks of cutting rates prematurely, warning that doing so could jeopardize progress toward achieving the Fed's 2.0% inflation target. However, cooling inflation data supported the pivot resulting in the decision to cut rates. By August, the core consumer price index (CPI) had moderated to 3.2%, a significant decline from its peak of 6.6% in late 2022¹. Additionally, rising unemployment, which climbed to 4.1%, and weakening consumer spending bolstered the case for September's rate cut. The Fed continued its measured easing with three successive 25 basis point cuts to close out the year. At its December meeting, Powell indicated a more cautious approach for 2025, scaling back projected rate cuts from four to two amid persistent economic uncertainty².

Despite declining rates, the US money market remained a great option for capital preservation. Due to the higher yields in US money market instruments as compared to Canada, US money market funds were especially attractive for Canadian investors. These funds offer a secure and liquid alternative in an environment characterized by uncertain market conditions, ensuring their continued appeal even as monetary policy shifts.

(1) https://www.bls.gov/news.release/archives/cpi_09112024.pdf

(2) <https://apnews.com/article/federal-reserve-inflation-loan-rates-economy-prices-7474747d890c0fdcc87454fd4c80aaa4>

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 0.20% of the net asset value of the Unhedged ETF Units and the Unhedged Class F Mutual Fund Units and 0.45% 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 Manager has waived the management fee on the Unhedged ETF Units and the Unhedged Class F Mutual Fund Units of the Fund from February 2, 2024 until June 30, 2024. The Manager has reduced the management fee on the Unhedged Class A Mutual Fund Units of the Fund to the amount of the trailing commission payable to a unitholder's dealer from February 2, 2024 until June 30, 2024. The effective annual management fee for the Unhedged Class A Mutual Fund Units is 0.25%. For the year ended December 31, 2024, the Fund incurred \$71,163 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 0.05% 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 \$18,397 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 (\$)
For the periods ended:		
Unhedged ETF Units - Net Assets per Unit		
Net Assets per Unit, beginning of period	100.06	100.01
Increase (decrease) from operations:		
Total revenue	5.43	3.31
Total expenses	(0.22)	(0.03)
Realized gains (losses)	-	(0.01)
Total increase (decrease) from operations²	5.21	3.27
Distributions:		
From income (excluding dividends)	(5.32)	(3.05)
From capital gains	(0.05)	(0.14)
Total annual distributions³	(5.37)	(3.19)
Net Assets per Unit, end of period	100.00	100.06

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

	December 31, 2024 (\$)	December 31, 2023 (\$)
For the periods ended:		
Unhedged Class A - Net Assets per Unit		
Net Assets per Unit, beginning of period	10.00	10.00
Increase (decrease) from operations:		
Total revenue	0.55	0.33
Total expenses	(0.05)	(0.02)
Total increase (decrease) from operations²	0.50	0.31
Distributions:		
From income (excluding dividends)	(0.51)	(0.27)
Total annual distributions³	(0.51)	(0.27)
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	0.55	0.33
Total expenses	(0.02)	-
Total increase (decrease) from operations²	0.53	0.33
Distributions:		
From income (excluding dividends)	(0.53)	(0.29)
Total annual distributions³	(0.53)	(0.29)
Net Assets per Unit, end of period	10.00	10.00

- 1 This information is derived from the Fund's audited annual financial statements as at December 31, 2024 and 2023. The Unhedged ETF Units, and the Unhedged Class A and F Mutual Fund Units effectively began operations on May 26, 2023.
- 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

	December 31, 2024	December 31, 2023
For the periods ended:		
Unhedged ETF Units - Ratios/Supplemental Data		
Total Net Asset Value (\$) ⁴	15,000,000	5,003,088
Number of units outstanding ⁴	150,000	50,000
Management expense ratio ^{5,7}	0.22%	0.06%
Trading expense ratio ⁶	0.00%	0.00%
Net Asset Value per unit (\$)	100.00	100.06
Closing market price (\$)	100.04	100.11
Unhedged Class A - Ratios/Supplemental Data		
Total Net Asset Value (\$) ⁴	8,535,134	947,977
Number of units outstanding ⁴	853,513	94,770
Management expense ratio ^{5,7}	0.48%	0.34%
Trading expense ratio ⁶	0.00%	0.00%
Net Asset Value per unit (\$)	10.00	10.00

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

For the periods ended:	December 31, 2024	December 31, 2023
Unhedged Class F - Ratios/Supplemental Data		
Total Net Asset Value (\$)⁴	19,260,099	328,416
Number of units outstanding⁴	1,926,010	32,831
Management expense ratio⁵,⁷	0.19%	0.06%
Trading expense ratio⁶	0.00%	0.00%
Net Asset Value per unit (\$)	10.00	10.00

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

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 Manager has waived the management fee on the Unhedged ETF Units and the Unhedged Class F Mutual Fund Units of the Fund from February 2, 2024 until June 30, 2024. The Manager has reduced the management fee on the Unhedged Class A Mutual Fund Units of the Fund to the amount of the trailing commission payable to a unitholder's dealer from February 2, 2024 until June 30, 2024. The effective annual management fee for the Unhedged Class A Mutual Fund Units is 0.25%.

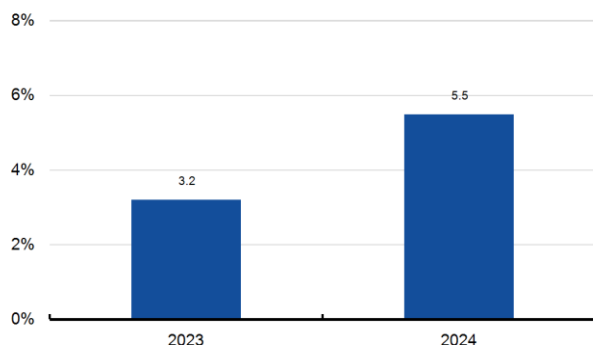
Past Performance

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.

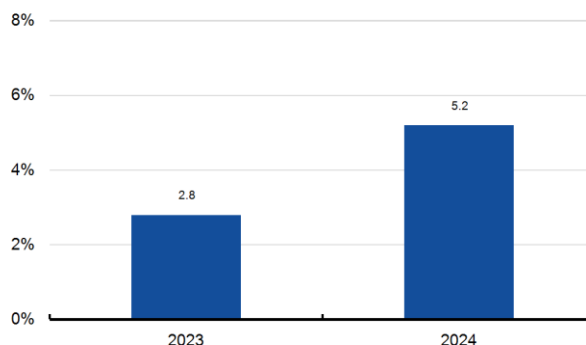
Year-by-Year Returns

The bar chart below shows the Unhedged ETF Units' and the Unhedged Class A 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.

MUSD/U Unhedged ETF Units¹



Unhedged Class A Mutual Fund Units²



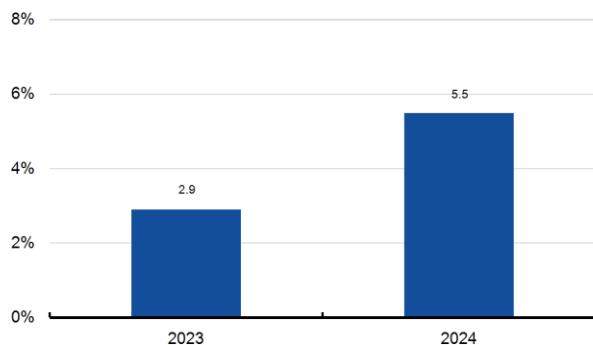
1 The Unhedged ETF Units of the Fund effectively began operations on May 26, 2023.

2 The Unhedged Class A Mutual Fund Units of the Fund effectively began operations on May 26, 2023.

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Unhedged Class F Mutual Fund Units³



³ The Unhedged Class F Mutual Fund Units of the Fund effectively began operations on May 26, 2023.

Summary of Investment Portfolio

Top 25 Positions

Security	Percentage of Net Asset Value (%)
Banner Trust, 4.418%, 3/21/2025	8.9
Fusion Trust, 3.299%, 2/10/2025	8.6
Zeus Receivables Trust, 4.779%, 5/6/2025	5.6
Sound Trust, 4.917%, 4/11/2025	5.1
U.S., Treasury Bill, 1.545%, 1/9/2025	4.8
Ridge Trust, 4.493%, 1/14/2025	4.7
Ridge Trust, 4.745%, 6/5/2025	4.7
Merit Trust, 4.897%, 5/28/2025	4.6
CDN Master Trust, 4.968%, 2/10/2025	4.0
CDN Master Trust, 4.967%, 3/5/2025	3.8
Zeus Receivables Trust, 4.917%, 3/25/2025	3.4
Stable Trust, 4.704%, 6/20/2025	3.4
Reliant Trust, 4.917%, 3/19/2025	3.2
Reliant Trust, 4.907%, 4/24/2025	3.2
Sound Trust, 4.918%, 2/25/2025	3.2
Sure Trust, 4.918%, 2/25/2025	3.2
Safe Trust, 4.889%, 1/23/2025	2.9
Stable Trust, 4.868%, 4/15/2025	2.9
Sure Trust, 4.889%, 1/23/2025	2.8
CDN Master Trust, Series A, 4.867%, 5/7/2025	2.8
Merit Trust, 4.968%, 2/21/2025	2.6
Safe Trust, 4.917%, 1/7/2025	2.3
Reliant Trust, 4.703%, 6/4/2025	2.3
Prime Trust, 4.917%, 4/22/2025	2.0
Prime Trust, 4.938%, 2/12/2025	1.9
Total	96.9

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Industry Allocation

Portfolio by Category		Percentage of Net Asset Value (%)
Short-Term Investments		
Commercial Paper		96.6
Treasury Bills		4.8
Cash and Cash Equivalents		0.1
Other Assets, less Liabilities		(1.5)
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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