

# Evolve NASDAQ Technology Index 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](http://www.evolveetfs.com) or SEDAR at [www.sedar.com](http://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.

# Evolve NASDAQ Technology Index Fund

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## Investment Objective and Strategies

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The Evolve NASDAQ Technology Index Fund (the "Fund") seeks to replicate, to the extent reasonably possible and before fees and expenses, the performance of the NASDAQ-100 Technology Sector Adjusted Market-Cap Weighted™ Index, or any successor thereto.

## Risk

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Effective April 25, 2024, the risk rating of the Hedged, Unhedged, and US Dollar Unhedged ETF Units of the Fund was changed from "Medium to High" to "High". 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

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For the year ended December 31, 2024, the Unhedged ETF Units returned 45.6% versus the NASDAQ-100 Technology Sector Adjusted Market-Cap Weighted Index (CAD) return of 47.6%. The Hedged ETF Units returned 32.8% versus NASDAQ-100 Technology Sector Adjusted Market-Cap Weighted Index return of 35.4%. The US Dollar Unhedged ETF Units returned 34.2% versus the NASDAQ-100 Technology Sector Adjusted Market-Cap Weighted Index return of 35.4%. Since the Hedged Class A and F Mutual Fund Units effectively began operations on June 5, 2024, no performance data can be shown. For a discussion of the relative performance of the Fund as compared to the respective Index, please refer to the "Annual Compound Return" section in the "Management Discussion of Fund Performance". The Fund's net assets were \$60.7MM as at December 31, 2024.

## Portfolio Manager Commentary

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In 2024, the technology sector experienced significant growth, driving the performance of the broader equity market throughout the period. The gains were fueled primarily by advancements in artificial intelligence (AI), as major technology companies raced to develop AI systems and applications to enhance their operations and customer experiences.

Semiconductor companies including NVIDIA and Broadcom were standout performers, delivering record-breaking results<sup>1</sup>. NVIDIA solidified its leadership in the AI ecosystem, with its quarterly revenue surpassing \$30 billion, reflecting high demand for its graphics processing units (GPUs)<sup>2</sup>. These GPUs are the backbone of AI workloads, powering large-scale machine learning models and generative AI applications used by companies like OpenAI, Microsoft, and Google. Broadcom, on the other hand, saw unprecedented growth due to its role in supplying custom chips for cloud service providers, including Microsoft Azure and Google Cloud. As large cloud computing firms scale their infrastructure to meet the growing AI demand, Broadcom's high-performance semiconductors have become indispensable, driving the company's annual revenue to new heights.

Apple also had a strong year, maintaining its position as the world's largest public company by market capitalization. Early in the year, concerns about its reliance on China for manufacturing and doubts about its AI capabilities created headwinds for its stock. However, investor confidence rebounded in the summer as Apple announced plans to integrate generative AI into iPhones, including AI-powered personal assistants and on-device processing enhancements. Analysts expect these innovations to trigger a new upgrade cycle, with millions of consumers likely to adopt the latest devices<sup>3</sup>. Additionally, Apple unveiled a \$110 billion stock buyback program in May, emphasizing its financial strength and ability to return capital to shareholders, despite prevailing macroeconomic uncertainties<sup>4</sup>.

Overall, technology companies continue to dominate the market, driving both innovation and equity returns. AI remains a transformative driver for the sector, with the potential to redefine earnings growth and reshape business models across all industries. Time will tell whether the current enthusiasm translates into sustained profitability, but the developments of 2024 have solidified AI as a cornerstone of the technology industry.

## Performance Attribution

For the twelve-month period ending December 31, 2024, Broadcom Inc made the biggest contribution to the Fund, followed by Apple Inc. By weight, the Fund's largest holdings were Broadcom Inc, Apple Inc, and Meta Platforms, Inc., Class 'A'.

(1) <https://www.cnbc.com/2024/12/12/broadcom-avgo-earnings-report-q4-2024-.html>

(2) <https://observer.com/2024/08/nvidias-quarterly-revenue-hits-record-30b-as-the-a-i-boom-continues/>

(3) <https://www.theverge.com/2024/6/12/24176494/apple-intelligence-ai-upgrade-cycle-here>

(4) <https://www.reuters.com/technology/apple-unveils-record-110-billion-buyback-results-beat-low-expectations-2024-05-02/>

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## Recent Developments

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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

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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.

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 0.25% of the net asset value of the Hedged, Unhedged, and US Dollar Unhedged ETF Units and the Hedged Class F Mutual Fund Units and 1.25% 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 \$119,599 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](http://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 \$73,103 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.

# Evolve NASDAQ Technology Index Fund

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## 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 Unit<sup>1</sup>

	December 31, 2024 (\$)	December 31, 2023 (\$)
For the periods ended:		
<b>Unhedged ETF Units - Net Assets per Unit</b>		
Net Assets per Unit, beginning of period	23.46	20.00
<b>Increase (decrease) from operations:</b>		
Total revenue	0.18	0.07
Total expenses	(0.20)	(0.07)
Realized gains (losses)	3.29	1.69
Unrealized gains (losses)	5.70	2.02
<b>Total increase (decrease) from operations<sup>3</sup></b>	<b>8.97</b>	<b>3.71</b>
<b>Distributions:</b>		
Return of capital	(0.12)	(0.06)
<b>Total annual distributions<sup>4</sup></b>	<b>(0.12)</b>	<b>(0.06)</b>
<b>Net Assets per Unit, end of period</b>	<b>34.02</b>	<b>23.46</b>
<b>Hedged ETF Units - Net Assets per Unit</b>		
Net Assets per Unit, beginning of period	23.34	20.00
<b>Increase (decrease) from operations:</b>		
Total revenue	0.18	0.07
Total expenses	(0.19)	(0.07)
Realized gains (losses)	0.77	1.97
Unrealized gains (losses)	4.41	3.41
<b>Total increase (decrease) from operations<sup>3</sup></b>	<b>5.17</b>	<b>5.38</b>
<b>Distributions:</b>		
From dividends	-	(0.01)
Return of capital	(0.12)	(0.05)
<b>Total annual distributions<sup>4</sup></b>	<b>(0.12)</b>	<b>(0.06)</b>
<b>Net Assets per Unit, end of period</b>	<b>30.87</b>	<b>23.34</b>
<b>US Dollar Unhedged ETF Units - Net Assets per Unit<sup>5</sup></b>		
Net Assets per Unit, beginning of period	31.04	26.47
<b>Increase (decrease) from operations:</b>		
Total revenue	0.25	0.09
Total expenses	(0.26)	(0.09)
Realized gains (losses)	3.93	1.73
Unrealized gains (losses)	6.25	2.79
<b>Total increase (decrease) from operations<sup>3</sup></b>	<b>10.17</b>	<b>4.52</b>
<b>Distributions:</b>		
Return of capital	(0.17)	(0.08)
<b>Total annual distributions<sup>4</sup></b>	<b>(0.17)</b>	<b>(0.08)</b>
<b>Net Assets per Unit, end of period</b>	<b>45.02</b>	<b>31.04</b>

# Evolve NASDAQ Technology Index Fund

December 31, 2024

## The Fund's Net Assets Per Unit<sup>1</sup> (cont'd)

	December 31, 2024 (\$)	December 31, 2023 (\$)
For the periods ended:		
<b>Hedged Class A - Net Assets per Unit</b>		
Net Assets per Unit, beginning of period <sup>2</sup>	20.64	N/A
<b>Increase (decrease) from operations:</b>		
Total revenue	0.07	N/A
Total expenses	(0.21)	N/A
Realized gains (losses)	0.34	N/A
Unrealized gains (losses)	0.12	N/A
<b>Total increase (decrease) from operations<sup>3</sup></b>	<b>0.32</b>	<b>N/A</b>
<b>Distributions:</b>		
Return of capital	(0.06)	N/A
<b>Total annual distributions<sup>4</sup></b>	<b>(0.06)</b>	
<b>Net Assets per Unit, end of period</b>	<b>21.90</b>	<b>N/A</b>
<b>Hedged Class F - Net Assets per Unit</b>		
Net Assets per Unit, beginning of period <sup>2</sup>	20.64	N/A
<b>Increase (decrease) from operations:</b>		
Total revenue	0.07	N/A
Total expenses	(0.08)	N/A
Realized gains (losses)	(0.70)	N/A
Unrealized gains (losses)	4.74	N/A
<b>Total increase (decrease) from operations<sup>3</sup></b>	<b>4.03</b>	<b>N/A</b>
<b>Distributions:</b>		
Return of capital	(0.06)	N/A
<b>Total annual distributions<sup>4</sup></b>	<b>(0.06)</b>	<b>N/A</b>
<b>Net Assets per Unit, end of period</b>	<b>21.86</b>	<b>N/A</b>

- 1 This information is derived from the Fund's audited annual financial statements as at December 31, 2024 and 2023. The Hedged, Unhedged and US Dollar Unhedged ETF Units effectively began operations on July 11, 2023. The Hedged Class A and F Mutual Fund Units effectively began operations on June 5, 2024.
- 2 This amount represents the initial launch price.
- 3 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.
- 4 Distributions were paid in cash or reinvested in additional units of the Fund, or both. Actual distributions may vary slightly owing to rounding.
- 5 Per unit figures are stated in CAD equivalent.

## The Fund's Ratios/Supplemental Data

	December 31, 2024	December 31, 2023
For the periods ended:		
<b>Unhedged ETF Units - Ratios/Supplemental Data</b>		
Total Net Asset Value (\$) <sup>5</sup>	5,103,629	1,759,190
Number of units outstanding <sup>6</sup>	150,000	75,000
Management expense ratio <sup>7</sup>	0.47%	0.45%
Trading expense ratio <sup>8</sup>	0.09%	0.13%
Portfolio turnover rate <sup>9</sup>	101.28%	65.76%
Net Asset Value per unit (\$)	34.02	23.46
Closing market price (\$)	34.54	23.46

# Evolve NASDAQ Technology Index Fund

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

For the periods ended:	December 31, 2024	December 31, 2023
<b>Hedged ETF Units - Ratios/Supplemental Data</b>		
Total Net Asset Value (\$)⁶	50,940,822	6,417,888
Number of units outstanding⁶	1,650,000	275,000
Management expense ratio⁷	0.46%	0.45%
Trading expense ratio⁸	0.09%	0.13%
Portfolio turnover rate⁹	101.28%	65.76%
Net Asset Value per unit (\$)	30.87	23.34
Closing market price (\$)	30.87	23.36
<b>US Dollar Unhedged ETF Units - Ratios/Supplemental Data</b>		
Total Net Asset Value (\$)⁶	4,502,012	2,328,285
Number of units outstanding⁶	100,000	75,000
Management expense ratio⁷	0.46%	0.45%
Trading expense ratio⁸	0.09%	0.13%
Portfolio turnover rate⁹	101.28%	65.76%
Net Asset Value per unit (\$)	45.02	31.04
Closing market price (\$)	45.16	31.05
<b>Hedged Class A - Ratios/Supplemental Data</b>		
Total Net Asset Value (\$)⁶	94,313	N/A
Number of units outstanding⁶	4,307	N/A
Management expense ratio⁷	1.58%	N/A
Trading expense ratio⁸	0.09%	N/A
Portfolio turnover rate⁹	101.28%	N/A
Net Asset Value per unit (\$)	21.90	N/A
<b>Hedged Class F - Ratios/Supplemental Data</b>		
Total Net Asset Value (\$)⁶	83,291	N/A
Number of units outstanding⁶	3,810	N/A
Management expense ratio⁷	0.45%	N/A
Trading expense ratio⁸	0.09%	N/A
Portfolio turnover rate⁹	101.28%	N/A
Net Asset Value per unit (\$)	21.86	N/A

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

7 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.

8 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.

9 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.

Since the Hedged Class A and F Mutual Fund Units of the Fund are reporting issuer for less than one year, with inception date June 5, 2024, providing performance data for the period is not permitted.

# Evolve NASDAQ Technology Index Fund

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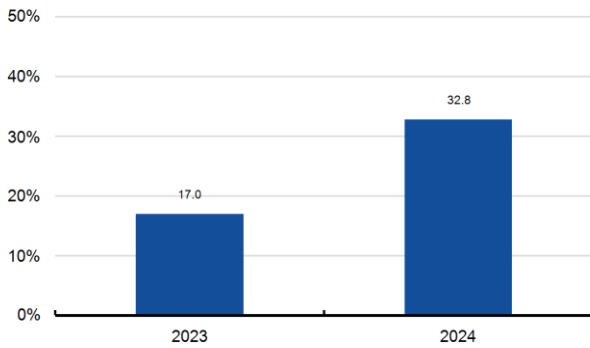
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## Year-by-Year Returns

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

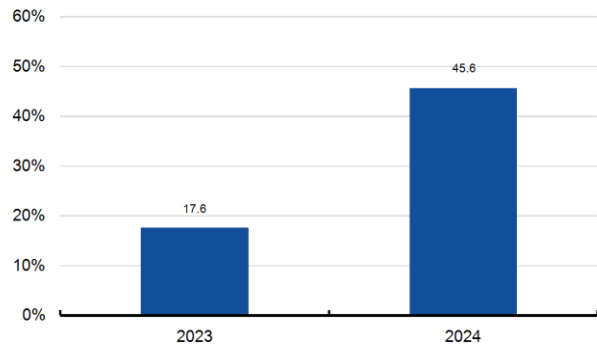
### QQQT Hedged ETF Units<sup>1</sup>

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### QQQT/B Unhedged ETF Units<sup>2</sup>

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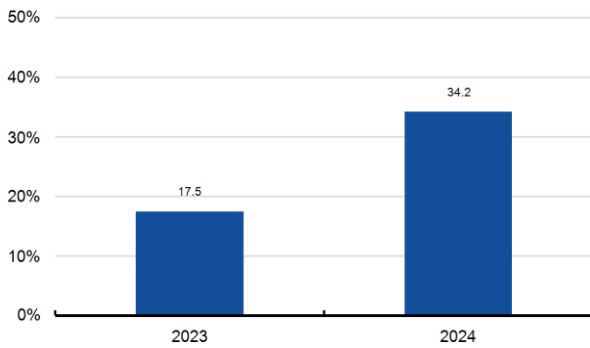


1 The Hedged ETF Units of the Fund effectively began operations on July 11, 2023.

2 The Unhedged ETF Units of the Fund effectively began operations on July 11, 2023.

### QQQT/U US Dollar Unhedged ETF Units<sup>3</sup>

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3 The US Dollar Unhedged ETF Units of the Fund effectively began operations on July 11, 2023. Returns presented based on NAV equivalent in USD.

# Evolve NASDAQ Technology Index Fund

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## Annual Compound Return

The table below shows the historical annual compound total return of the Hedged, Unhedged, and US Dollar Unhedged ETF Units. The returns are for the period ended December 31, 2024. As a basis of comparison, we have provided the performance of NASDAQ-100 Technology Sector Adjusted Market-Cap Weighted Index, and NASDAQ-100 Technology Sector Adjusted Market-Cap Weighted Index (CAD) (each of which, an "Index", and collectively, the "Indices"). The difference in performance of the Hedged, Unhedged and US Dollar Unhedged ETF Units relative to the respective Index can be attributed primarily to management and administration fees plus applicable sales taxes, and to portfolio trading. The difference in performance of the Hedged ETF Units relative to the Index can also be attributed to the fact that the Index is unhedged while the Hedged ETF Units of the Fund are hedged to Canadian Dollars.

	Since Inception <sup>1</sup> (%)	1 Year (%)
Hedged ETF Units	34.8	32.8
NASDAQ-100 Technology Sector Adjusted Market-Cap Weighted Index <sup>2</sup>	37.4	35.4
Unhedged ETF Units	44.0	45.6
NASDAQ-100 Technology Sector Adjusted Market-Cap Weighted Index (CAD) <sup>3</sup>	45.3	47.6
US Dollar Unhedged ETF Units	36.1	34.2
NASDAQ-100 Technology Sector Adjusted Market-Cap Weighted Index <sup>2</sup>	37.4	35.4

- 1 From inception date of July 11, 2023 for the Hedged, Unhedged, and US Dollar Unhedged ETF Units.
- 2 The Nasdaq-100 Technology Sector Adjusted Market-cap Weighted Index is designed to measure the performance of the technology companies in the Nasdaq-100. The Index is denominated in US Dollars.
- 3 The Nasdaq-100 Technology Sector Adjusted Market-cap Weighted Index (CAD) is designed to measure the performance of the technology companies in the Nasdaq-100. The Index is denominated in Canadian Dollars

## Summary of Investment Portfolio

### Top 25 Positions

Security	Percentage of Net Asset Value (%)
Broadcom Inc.	13.1
Apple Inc.	10.2
Meta Platforms Inc., Class 'A'	9.9
Microsoft Corporation	9.7
NVIDIA Corporation	9.5
Alphabet Inc., Class 'A'	5.6
Alphabet Inc., Class 'C'	5.3
Advanced Micro Devices Inc.	2.4
Adobe Inc.	2.4
Intuit Inc.	2.1
Texas Instruments Inc.	2.1
Qualcomm Inc.	2.1
Palantir Technologies Inc., Class 'A'	2.0
Applied Materials Inc.	1.6
Analog Devices Inc.	1.3
AppLovin Corporation, Class 'A'	1.2
Marvell Technology Inc.	1.2
Micron Technology Inc.	1.1
Lam Research Corporation	1.1
Intel Corporation	1.0
KLA Corporation	1.0
Cadence Design Systems Inc.	1.0
CrowdStrike Holdings Inc., Class 'A'	1.0



# Evolve NASDAQ Technology Index Fund

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## Top 25 Positions (cont'd)

	Percentage of Net Asset Value (%)
Security	
Synopsys Inc.	0.9
Fortinet Inc.	0.9
<b>Total</b>	<b>89.7</b>

## Industry Allocation

Portfolio by Category	Percentage of Net Asset Value (%)
<b>Equities</b>	
Communication Services	20.8
Consumer Discretionary	1.6
Information Technology	77.5
Derivative Assets	0.0
Derivative Liabilities	(0.1)
Cash and Cash Equivalents	0.3
Other Assets, less Liabilities	(0.1)
<b>Total</b>	<b>100.0</b>

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](http://www.evolveetfs.com).



**Evolve NASDAQ Technology Index Fund**