

Evolve Cyber Security 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 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 Canadian Dollar Hedged, 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

Effective August 16, 2024, the risk rating of the 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

For the year ended December 31, 2024, the Unhedged ETF Units returned 22.1% versus the Solactive Global Cyber Security Index NTR return of 23.9%. The Hedged ETF Units returned 13.2% versus the Solactive Global Cyber Security Index Canadian Dollar Hedged return of 14.4%. The US Dollar Unhedged ETF Units returned 12.5% versus the Solactive Global Cyber Security USD Index NTR return of 13.6%. The Hedged Class A Mutual Fund Units returned 11.9% and the Hedged Class F Mutual Fund Units returned 13.2% versus the Solactive Global Cyber Security Index Canadian Dollar Hedged return of 14.4%. 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 \$175.8MM as at December 31, 2024.

Portfolio Manager Commentary

The cybersecurity industry delivered strong performance results in 2024, driven by rising global demand for protection against increasingly sophisticated threats. Governments and businesses expanded investments in cybersecurity to protect critical infrastructure and data. Artificial intelligence (AI) emerged as a key driver of performance in the cybersecurity sector by enhancing threat detection, automating responses, and predicting vulnerabilities. AI-powered tools have become essential as cyberattacks grow more frequent and complex¹.

In July, the industry faced a challenge when a faulty software update from CrowdStrike caused widespread IT outages, leading to an estimated \$5.4 billion in losses for the cybersecurity company². The incident significantly impacted CrowdStrike's stock, but the company's swift crisis management and strong market position helped its stock recover near pre-incident levels by year-end³.

CyberArk Software stood out with exceptional performance in 2024, driven by its focus on identity security and privileged access management. Its solutions gained traction as enterprises adopted zero-trust architectures and stringent access controls. Strong earnings and strategic partnerships led to further success over the year⁴.

Overall, 2024 underscored the critical role of cybersecurity in a digital world. Despite challenges, the industry showed resilience and adaptability, with growth fueled by innovation, demand, and heightened awareness of cyber risk. The cybersecurity sector remains well-positioned for sustained expansion in the years to come.

Performance Attribution

For the twelve-month period ending December 31, 2024, CyberArk Software Limited made the biggest contribution to the Fund, followed by Fortinet Inc. By weight, the Fund's largest holdings were Fortinet Inc, CyberArk Software Limited, and CrowdStrike Holdings Inc, Class 'A'.

(1) <https://financialpost.com/personal-finance/business-essentials/cybersecurity-and-ai-how-microsoft-meets-a-changing-tech-landscape>

(2) <https://www.bnnbloomberg.ca/business/2024/07/19/crowdstrike-and-the-global-it-outage-explained/>

(3) <https://www.ft.com/content/e98e0d35-38f4-476e-bd22-7f74162df5b4>

(4) <https://seekingalpha.com/news/4284365-cyberarks-strong-results-leads-cybersecurity-stocks-higher>

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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.

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 0.40% 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 year ended December 31, 2024, the Fund incurred \$820,266 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 \$296,411 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.

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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 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	50.52	35.94	53.47	51.08	30.67
Increase (decrease) from operations:					
Total revenue	0.15	0.30	0.22	0.27	0.20
Total expenses	(0.38)	(0.32)	(0.30)	(0.39)	(0.30)
Realized gains (losses)	4.63	(3.16)	(1.02)	7.57	3.02
Unrealized gains (losses)	6.07	17.55	(16.22)	(5.27)	18.97
Total increase (decrease) from operations²	10.47	14.37	(17.32)	2.18	21.89
Distributions:					
From capital gains	-	-	(0.11)	(0.10)	(0.05)
Return of capital	(0.12)	(0.12)	(0.01)	(0.01)	(0.01)
Total annual distributions³	(0.12)	(0.12)	(0.12)	(0.11)	(0.06)
Net Assets per Unit, end of period	61.36	50.52	35.94	53.47	51.08
Hedged ETF Units - Net Assets per Unit					
Net Assets per Unit, beginning of period	44.70	31.20	49.38	46.82	28.33
Increase (decrease) from operations:					
Total revenue	0.12	0.26	0.21	0.26	0.17
Total expenses	(0.32)	(0.28)	(0.27)	(0.36)	(0.26)
Realized gains (losses)	0.58	(2.20)	(2.24)	6.02	4.05
Unrealized gains (losses)	5.39	15.65	(15.98)	(3.39)	15.80
Total increase (decrease) from operations²	5.77	13.43	(18.28)	2.53	19.76
Distributions:					
From capital gains	-	-	(0.11)	(0.10)	(0.05)
Return of capital	(0.12)	(0.12)	(0.01)	(0.01)	(0.01)
Total annual distributions³	(0.12)	(0.12)	(0.12)	(0.11)	(0.06)
Net Assets per Unit, end of period	50.31	44.70	31.20	49.38	46.82
US Dollar Unhedged ETF Units - Net Assets per Unit⁴					
Net Assets per Unit, beginning of period	67.96	48.35	71.93	68.72	41.26
Increase (decrease) from operations:					
Total revenue	0.17	0.38	0.30	0.38	0.29
Total expenses	(0.52)	(0.42)	(0.40)	(0.52)	(0.41)
Realized gains (losses)	5.75	(4.64)	(1.73)	10.06	3.64
Unrealized gains (losses)	8.20	23.42	(22.52)	(5.38)	26.29
Total increase (decrease) from operations²	13.60	18.74	(24.35)	4.54	29.81
Distributions:					
From capital gains	-	-	(0.16)	(0.13)	(0.07)
Return of capital	(0.16)	(0.16)	(0.01)	(0.01)	(0.01)
Total annual distributions³	(0.16)	(0.16)	(0.17)	(0.14)	(0.08)
Net Assets per Unit, end of period	82.51	67.96	48.35	71.93	68.72

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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	31.11	21.99	35.25	33.79	19.68
Increase (decrease) from operations:					
Total revenue	0.06	0.29	0.15	0.20	0.16
Total expenses	(0.59)	(0.50)	(0.50)	(0.65)	(0.52)
Realized gains (losses)	0.42	(1.47)	(1.87)	4.08	3.13
Unrealized gains (losses)	1.94	10.90	(10.73)	(2.09)	16.79
Total increase (decrease) from operations²	1.83	9.22	(12.95)	1.54	19.56
Distributions:					
From capital gains	-	-	(0.11)	(0.10)	(0.05)
Return of capital	(0.12)	(0.12)	(0.01)	(0.01)	(0.01)
Total annual distributions³	(0.12)	(0.12)	(0.12)	(0.11)	(0.06)
Net Assets per Unit, end of period	34.57	31.11	21.99	35.25	33.79
Hedged Class F - Net Assets per Unit					
Net Assets per Unit, beginning of period	33.10	23.13	36.63	34.75	19.94
Increase (decrease) from operations:					
Total revenue	0.07	0.23	0.17	0.19	0.14
Total expenses	(0.24)	(0.21)	(0.21)	(0.27)	(0.21)
Realized gains (losses)	0.58	(1.51)	(1.10)	4.43	3.73
Unrealized gains (losses)	3.45	11.66	(13.16)	(2.91)	12.18
Total increase (decrease) from operations²	3.86	10.17	(14.30)	1.44	15.84
Distributions:					
From capital gains	-	-	(0.11)	(0.10)	(0.05)
Return of capital	(0.12)	(0.12)	(0.01)	(0.01)	(0.01)
Total annual distributions³	(0.12)	(0.12)	(0.12)	(0.11)	(0.06)
Net Assets per Unit, end of period	37.20	33.10	23.13	36.63	34.75

- 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 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:	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 (\$) ⁵	26,077,407	16,419,016	13,476,661	40,104,952	40,865,613
Number of units outstanding ⁵	425,000	325,000	375,000	750,000	800,000
Management expense ratio ⁶	0.61%	0.63%	0.63%	0.62%	0.63%
Trading expense ratio ⁷	0.02%	0.03%	0.03%	0.05%	0.05%
Portfolio turnover rate ⁸	30.36%	42.76%	51.07%	61.15%	43.96%
Net Asset Value per unit (\$)	61.36	50.52	35.94	53.47	51.08
Closing market price (\$)	61.59	50.01	35.97	53.76	51.24

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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 ETF Units - Ratios/Supplemental Data					
Total Net Asset Value (\$) ⁵	142,113,379	148,641,637	116,209,671	213,584,316	152,180,066
Number of units outstanding ⁵	2,825,000	3,325,000	3,725,000	4,325,000	3,250,000
Management expense ratio ⁶	0.60%	0.63%	0.62%	0.62%	0.63%
Trading expense ratio ⁷	0.02%	0.03%	0.03%	0.05%	0.05%
Portfolio turnover rate ⁸	30.36%	42.76%	51.07%	61.15%	43.96%
Net Asset Value per unit (\$)	50.31	44.70	31.20	49.38	46.82
Closing market price (\$)	50.23	44.65	30.96	49.50	46.96
US Dollar Unhedged ETF Units - Ratios/Supplemental Data					
Total Net Asset Value (\$) ⁵	4,125,320	5,096,799	4,834,676	8,991,091	5,153,646
Number of units outstanding ⁵	50,000	75,000	100,000	125,000	75,000
Management expense ratio ⁶	0.64%	0.64%	0.62%	0.62%	0.63%
Trading expense ratio ⁷	0.02%	0.03%	0.03%	0.05%	0.05%
Portfolio turnover rate ⁸	30.36%	42.76%	51.07%	61.15%	43.96%
Net Asset Value per unit (\$)	82.51	67.96	48.35	71.93	68.72
Closing market price (\$)	82.44	68.19	48.38	71.94	68.43
Hedged Class A - Ratios/Supplemental Data					
Total Net Asset Value (\$) ⁵	1,258,441	2,895,289	1,271,690	1,912,676	518,127
Number of units outstanding ⁵	36,407	93,078	57,832	54,261	15,333
Management expense ratio ⁶	1.76%	1.75%	1.76%	1.75%	1.74%
Trading expense ratio ⁷	0.02%	0.03%	0.03%	0.05%	0.05%
Portfolio turnover rate ⁸	30.36%	42.76%	51.07%	61.15%	43.96%
Net Asset Value per unit (\$)	34.57	31.11	21.99	35.25	33.79
Hedged Class F - Ratios/Supplemental Data					
Total Net Asset Value (\$) ⁵	2,195,760	2,598,052	1,509,938	3,766,873	2,411,675
Number of units outstanding ⁵	59,020	78,502	65,293	102,822	69,407
Management expense ratio ⁶	0.62%	0.63%	0.62%	0.63%	0.63%
Trading expense ratio ⁷	0.02%	0.03%	0.03%	0.05%	0.05%
Portfolio turnover rate ⁸	30.36%	42.76%	51.07%	61.15%	43.96%
Net Asset Value per unit (\$)	37.20	33.10	23.13	36.63	34.75

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

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.

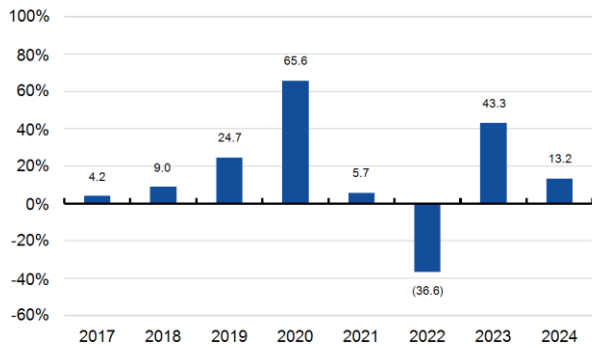
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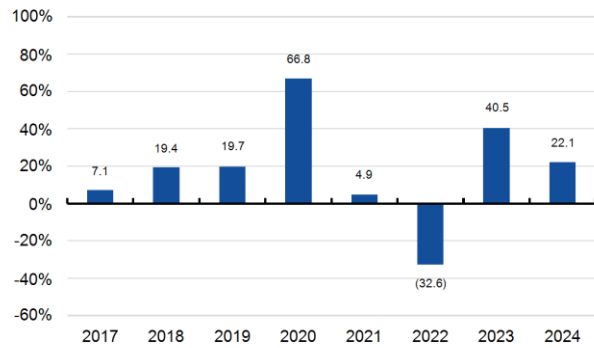
Year-by-Year Returns

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. 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.

CYBR Hedged ETF Units¹



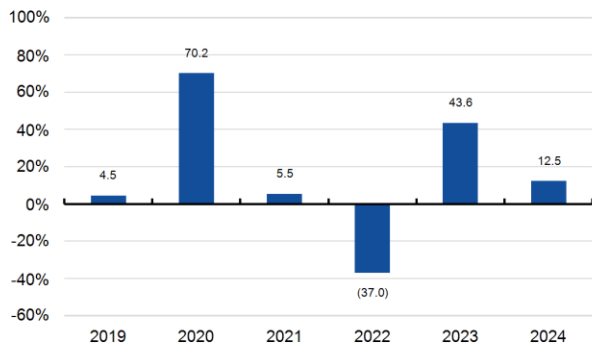
CYBR/B Unhedged ETF Units²



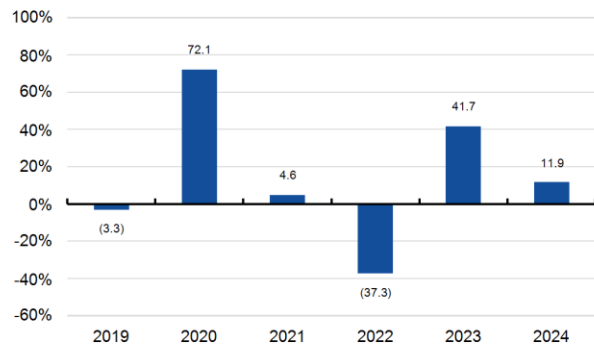
1 The Hedged ETF Units of the Fund effectively began operations on September 18, 2017.

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

CYBR/U US Dollar Unhedged ETF Units³



Hedged Class A Mutual Fund Units⁴



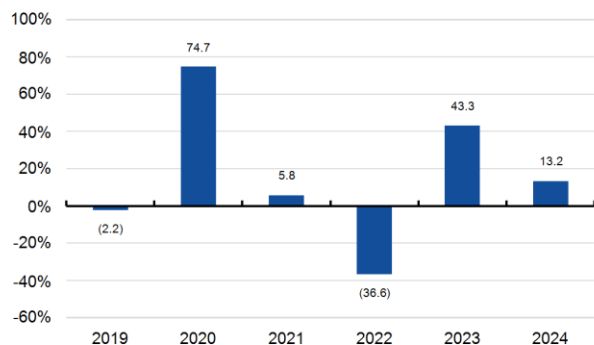
3 The US Dollar Unhedged ETF Units of the Fund effectively began operations on May 14, 2019. Returns presented based on NAV equivalent in USD.

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.

Annual Compound Return

The table below shows the historical annual compound total return of the Hedged, Unhedged, US Dollar Unhedged 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 Solactive Global Cyber Security Index Canadian Dollar Hedged, Solactive Global Cyber Security Index NTR, and Solactive Global Cyber Security USD Index NTR (each of which, an "Index", and collectively, the "Indices"). The difference in performance of the Hedged, Unhedged, and US Dollar Unhedged ETF Units and the Hedged Class A, and F Mutual Fund Units relative to the respective Index can be attributed primarily to management and administration fees plus applicable sales taxes, and to portfolio trading.

	Since Inception ¹ (%)	1 Year (%)	3 Year (%)	5 Year (%)
Hedged ETF Units	13.7	13.2	0.9	12.5
Solactive Global Cyber Security Index Canadian Dollar Hedged ²	14.3	14.4	1.9	12.9
Unhedged ETF Units	16.8	22.1	5.0	15.1
Solactive Global Cyber Security Index NTR ³	18.1	24.0	6.1	16.1
US Dollar Unhedged ETF Units	12.2	12.5	0.6	12.8
Solactive Global Cyber Security USD Index NTR ⁴	13.1	13.6	1.6	13.8
Hedged Class A Mutual Fund Units	10.1	11.9	(0.2)	12.3
Solactive Global Cyber Security Index Canadian Dollar Hedged ²	11.4	14.4	1.9	12.9
Hedged Class F Mutual Fund Units	11.5	13.2	0.9	13.7
Solactive Global Cyber Security Index Canadian Dollar Hedged ²	11.4	14.4	1.9	12.9

- From inception date of September 18, 2017 for the Hedged and Unhedged ETF Units, from inception date of May 14, 2019 for the US Dollar Unhedged ETF Units and from inception date of April 23, 2019 for the Hedged Class A and F Mutual Fund Units.
- The Solactive Global Cyber Security Index Canadian Dollar Hedged is an Index of Solactive AG and is calculated and distributed by Solactive AG. The Index tracks the performance of the Global Cyber Security Index and hedges the currency exposure to Canadian Dollars on a monthly basis via FX forward contracts. The Index is rebalanced monthly and is denominated in Canadian Dollars.
- The Solactive Global Cyber Security Index NTR is an Index of Solactive AG and is calculated and distributed by Solactive AG. The Index provides exposure to companies that are engaged in the cyber and data security segment and offer colocation and data center services. The Index components are assigned a weight based on market capitalization to a maximum individual weighting of 7.5%. The Index is calculated as net total return index, is rebalanced quarterly and is denominated in Canadian Dollars.
- The Solactive Global Cyber Security USD Index NTR is an Index of Solactive AG and is calculated and distributed by Solactive AG. The Index provides exposure to companies that are engaged in the cyber and data security segment and offer colocation and data center services. The Index components are assigned a weight based on market capitalization to a maximum individual weighting of 7.5%. The Index is calculated as net total return index, is rebalanced quarterly and is denominated in US Dollars.

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Summary of Investment Portfolio

Top 25 Positions

	Percentage of Net Asset Value (%)
Security	
Fortinet Inc.	8.8
CyberArk Software Limited	8.6
CrowdStrike Holdings Inc., Class 'A'	8.3
Okta Inc., Class 'A'	7.7
Palo Alto Networks Inc.	7.6
Zscaler Inc.	7.0
Check Point Software Technologies Limited	6.9
Booz Allen Hamilton Holding Corporation, Class 'A'	6.2
CACI International Inc., Class 'A'	5.5
Trend Micro Inc.	4.7
SentinelOne Inc.	3.9
NEXTDC Limited	3.6
Qualys Inc.	3.1
Varonis Systems Inc.	3.0
Tenable Holdings Inc.	2.8
GDS Holdings Limited, ADR	2.8
Rapid7 Inc.	1.5
Netcompany Group A/S	1.4
BlackBerry Limited	1.4
A10 Networks Inc.	0.8
Fastly Inc.	0.8
VNET Group Inc.	0.7
Radware Limited	0.6
OneSpan Inc.	0.4
Change Holdings Inc.	0.3
Total	98.4

Industry Allocation

Portfolio by Category	Percentage of Net Asset Value (%)
Equities	
Communication Services	0.8
Industrials	11.7
Information Technology	87.0
Derivative Assets	0.1
Derivative Liabilities	(0.1)
Cash and Cash Equivalents	0.5
Other Assets, less Liabilities	0.0
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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