

Evolve Global Materials & Mining Enhanced Yield Index ETF

June 30, 2025

Interim Management Report of Fund Performance

This interim management report of fund performance contains financial highlights but does not contain the complete interim financial statements of the investment fund. You can get a copy of the interim financial statements at your request, and at no cost, by calling 1-844-370-4884, by writing to us at Evolve Funds, 161 Bay Street, Suite 1210, Toronto, ON, M5J 2S1 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 Global Materials & Mining Enhanced Yield Index ETF (the "Fund") seeks to replicate, to the extent reasonably possible and before fees and expenses, the performance of the Solactive Global Materials & Mining Index, or any successor thereto, while mitigating downside risk. The Fund invests directly or indirectly in equity securities of global issuers engaged in the manufacturing, mining and/or integration of metals and materials, while writing covered call options on up to 33% of the portfolio securities, at the direction of the portfolio manager. The level of covered call option writing may vary based on market volatility and other factors.

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 six-month period ended June 30, 2025, the Hedged ETF Units returned 7.2% versus the Solactive Materials & Mining Index NTR (the "Index") return of 7.8%. The Unhedged ETF Units returned 6.0% versus the Index return of 7.8%. The Fund's net assets were \$54.0MM as at June 30, 2025.

Portfolio Manager Commentary

The global materials and mining sector posted a mixed performance in the first half of 2025, shaped by elevated geopolitical tensions and divergent supply-demand dynamics across subsectors. While certain areas benefited from structural tailwinds and firm commodity prices, others contended with margin pressures and demand uncertainty amid a complicated macroeconomic backdrop.

Broad-based U.S. tariffs-particularly those introduced under President Donald Trump's April 2nd "Liberation Day" package, sent shockwaves through global supply chains. Targeted levies on Chinese imports, alongside retaliatory threats, lowered investor confidence and disrupted the flow of key raw materials.

In June the Trump administration implemented aggressive tariffs on industrial inputs. Initially, a 25% tariff was placed on steel and aluminum, which was later doubled to 50% in June¹.

Despite these headwinds, demand fundamentals remained strong for several critical materials. Copper prices hovered near record highs, supported by surging investment in data centers, renewable infrastructure, and electric vehicles². Gold also rallied, reaching an all-time high in May as investors sought safe-haven assets amid macroeconomic uncertainty and persistent inflation³. These dynamics highlight the sector's strategic role in the global energy transition.

June also saw the high-profile closure of the U.S. Steel-Nippon Steel merger, a landmark deal in the steel industry despite initial political resistance⁴.

Looking forward, the sector remains delicately positioned. Ongoing geopolitical tensions, tariff volatility, and regulatory uncertainty continue to cloud the outlook. However, long-term themes tied to electrification, urbanization, and resource security provide structural support. Investors are likely to remain selective, favouring firms with diversified exposure, resilient balance sheets, and the ability to navigate an evolving global trade landscape.

Performance Attribution

For the six-month period ending June 30, 2025, AngloGold Ashanti Plc made the biggest contribution to the Fund, followed by Gold Fields Limited, Sponsored ADR. By weight, the Fund's largest holdings were Freeport-McMoRan Inc., Southern Copper Corporation, and ArcelorMittal.

(1) <https://www.whitehouse.gov/fact-sheets/2025/06/fact-sheet-president-donald-j-trump-increases-section-232-tariffs-on-steel-and-aluminum/>

(2) <https://www.reuters.com/markets/commodities/global-imbalances-grow-ever-more-copper-flows-us-2025-06-13/>

(3) <https://www.theguardian.com/business/live/2025/mar/18/gold-hits-record-high-over-3000-geopolitical-tensions-weakening-us-dollar-oil-stock-markets-inflation-business-live-news>

(4) <https://www.reuters.com/sustainability/boards-policy-regulation/nippon-steels-acquisition-us-steel-closes-with-big-role-trump-2025-06-18/>

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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

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 management fees are calculated based on 0.60% per annum of the average daily net asset value of the Fund. The fees are accrued daily and are generally paid monthly. For the six-month period ended June 30, 2025, the Fund incurred \$185,943 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 six-month period ended June 30, 2025, the Fund incurred \$46,486 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.

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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

| | June 30, 2025 (\$) | 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 | 23.07 | 27.30 | 26.01 | 27.73 | 24.91 | 21.33 |
| Increase (decrease) from operations: | | | | | | |
| Total revenue | 0.41 | 0.79 | 0.94 | 1.34 | 1.24 | 0.58 |
| Total expenses | (0.14) | (0.31) | (0.38) | (0.40) | (0.40) | (0.33) |
| Realized gains (losses) | 0.41 | 1.59 | 0.24 | 0.13 | 1.95 | 0.81 |
| Unrealized gains (losses) | 0.73 | (3.90) | 2.93 | (0.60) | 1.26 | 5.48 |
| Total increase (decrease) from operations² | 1.41 | (1.83) | 3.73 | 0.47 | 4.05 | 6.54 |
| Distributions: | | | | | | |
| From income (excluding dividends) | (1.20) | - | - | - | - | - |
| From dividends | - | (0.49) | (0.63) | (0.97) | (0.96) | (0.30) |
| From capital gains | - | (0.55) | - | (0.23) | (0.61) | (0.78) |
| Return of capital | - | (1.36) | (1.77) | (1.08) | (0.16) | (0.12) |
| Total annual distributions³ | (1.20) | (2.40) | (2.40) | (2.28) | (1.73) | (1.20) |
| Net Assets per Unit, end of period | 23.25 | 23.07 | 27.30 | 26.01 | 27.73 | 24.91 |
| Hedged ETF Units - Net Assets per Unit | | | | | | |
| Net Assets per Unit, beginning of period | 21.40 | 27.12 | 25.60 | 29.01 | 25.71 | 21.50 |
| Increase (decrease) from operations: | | | | | | |
| Total revenue | 0.38 | 0.76 | 0.93 | 1.39 | 1.27 | 0.58 |
| Total expenses | (0.14) | (0.31) | (0.37) | (0.41) | (0.42) | (0.33) |
| Realized gains (losses) | 0.44 | 0.06 | 0.28 | (1.18) | (0.03) | 1.08 |
| Unrealized gains (losses) | 0.65 | (3.89) | 2.86 | (3.13) | 1.18 | 5.02 |
| Total increase (decrease) from operations² | 1.33 | (3.38) | 3.70 | (3.33) | 2.00 | 6.35 |
| Distributions: | | | | | | |
| From income (excluding dividends) | (1.20) | - | - | - | - | - |
| From dividends | - | (0.46) | (0.60) | (0.97) | (0.77) | (0.25) |
| From capital gains | - | (0.56) | - | (0.23) | (0.70) | (0.65) |
| Return of capital | - | (1.38) | (1.80) | (1.08) | (0.26) | (0.30) |
| Total annual distributions³ | (1.20) | (2.40) | (2.40) | (2.28) | (1.73) | (1.20) |
| Net Assets per Unit, end of period | 21.72 | 21.40 | 27.12 | 25.60 | 29.01 | 25.71 |

- 1 This information is derived from the Fund's unaudited interim financial statements as at June 30, 2025, and the audited annual financial statements as at December 31, 2024, 2023, 2022, 2021, and 2020. The Hedged and Unhedged ETF Units effectively began operations on June 11, 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.

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The Fund's Ratios/Supplemental Data

| For the periods ended: | June 30, 2025 | 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 | 20,343,931 | 21,912,556 | 25,934,903 | 26,665,302 | 30,501,225 | 24,286,886 |
| Number of units outstanding⁴ | 875,000 | 950,000 | 950,000 | 1,025,000 | 1,100,000 | 975,000 |
| Management expense ratio⁵ | 0.66% | 0.74% | 0.85% | 0.82% | 0.82% | 0.85% |
| Trading expense ratio⁶ | 0.27% | 0.20% | 0.20% | 0.20% | 0.25% | 0.43% |
| Portfolio turnover rate⁷ | 65.09% | 75.45% | 66.39% | 94.32% | 69.36% | 82.01% |
| Net Asset Value per unit (\$) | 23.25 | 23.07 | 27.30 | 26.01 | 27.73 | 24.91 |
| Closing market price (\$) | 23.27 | 23.06 | 27.35 | 25.87 | 27.70 | 24.97 |
| Hedged ETF Units - Ratios/Supplemental Data | | | | | | |
| Total Net Asset Value (\$)⁴ | 33,661,614 | 43,332,465 | 47,455,011 | 30,714,926 | 29,012,779 | 2,571,290 |
| Number of units outstanding⁴ | 1,550,000 | 2,025,000 | 1,750,000 | 1,200,000 | 1,000,000 | 100,000 |
| Management expense ratio⁵ | 0.77% | 0.80% | 0.85% | 0.84% | 0.85% | 0.85% |
| Trading expense ratio⁶ | 0.27% | 0.20% | 0.20% | 0.20% | 0.25% | 0.43% |
| Portfolio turnover rate⁷ | 65.09% | 75.45% | 66.39% | 94.32% | 69.36% | 82.01% |
| Net Asset Value per unit (\$) | 21.72 | 21.40 | 27.12 | 25.60 | 29.01 | 25.71 |
| Closing market price (\$) | 21.75 | 21.41 | 27.15 | 25.54 | 29.08 | 25.70 |

4 This information is provided as at June 30, 2025 and 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.

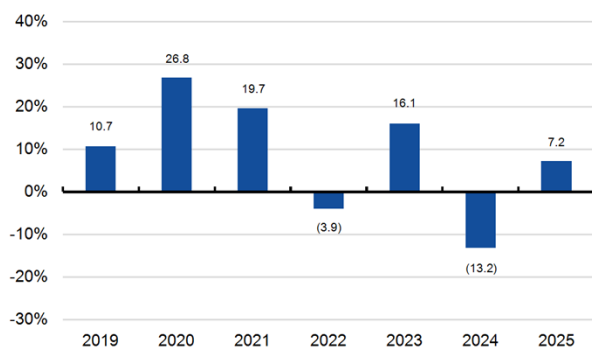
Year-by-Year Returns

The bar chart below shows the Hedged and Unhedged ETF Units' performance for each of the financial years shown and for the six-month period ended June 30, 2025. 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.

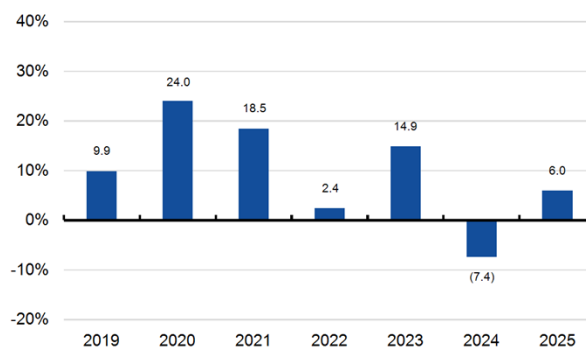
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BASE Hedged ETF Units¹



BASE/B Unhedged ETF Units²



1 The Hedged ETF Units of the Fund effectively began operations on June 11, 2019.

2 The Unhedged ETF Units of the Fund effectively began operations on June 11, 2019.

Summary of Investment Portfolio

All Positions

| | Percentage of Net Asset Value (%) |
|--|-----------------------------------|
| Security | |
| Freeport-McMoRan Inc. | 6.4 |
| Southern Copper Corporation | 5.9 |
| ArcelorMittal | 5.8 |
| Nucor Corporation | 5.7 |
| DuPont de Nemours Inc. | 5.7 |
| RBC Bearings Inc. | 5.6 |
| Reliance Inc. | 5.5 |
| AngloGold Ashanti PLC | 5.2 |
| BHP Group Limited, ADR | 5.2 |
| Steel Dynamics Inc. | 5.2 |
| POSCO Holdings Inc., ADR | 5.2 |
| Newmont Corporation | 5.2 |
| Vale SA, ADR | 5.1 |
| Rio Tinto PLC, ADR | 5.0 |
| LyondellBasell Industries NV, Class 'A' | 5.0 |
| Royal Gold Inc. | 4.9 |
| Gold Fields Limited, ADR | 4.7 |
| Dow Inc. | 4.6 |
| Harmony Gold Mining Company Limited, ADR | 4.0 |
| Total | 99.9 |

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Industry Allocation

| Portfolio by Category | Percentage of Net Asset Value (%) |
|--------------------------------|-----------------------------------|
| Equities | |
| Industrials | 5.6 |
| Materials | 94.3 |
| Derivative Assets | 0.3 |
| Derivative Liabilities | (0.7) |
| Cash and Cash Equivalents | 1.3 |
| 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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