

# Evolve Cloud Computing Index Fund

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](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.

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## Investment Objective and Strategies

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The Evolve Cloud Computing Index Fund (the "Fund") seeks to replicate, to the extent reasonably possible and before fees and expenses, the performance of the Solactive Global Cloud Computing Index, or any successor thereto. The Fund invests primarily in equity securities of companies located domestically or internationally that have business operations in the field of cloud computing.

## Risk

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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 six-month period ended June 30, 2025, the Hedged ETF Units returned 7.4% versus the Solactive Global Cloud Computing Index (the "Index") return of 4.6%. The Unhedged ETF Units returned 4.1% versus the Index return of 4.6%. The Fund's net assets were \$17.8MM as at June 30, 2025.

## Portfolio Manager Commentary

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The first half of 2025 marked a decisive phase in the evolution of the cloud computing landscape, as enterprise demand for Artificial Intelligence (AI) infrastructure, secure hybrid environments, and multicloud agility drove an aggressive reallocation of capital across the sector. What began as a post-2024 continuation of generative AI enthusiasm quickly developed into a broader investment cycle around the underlying infrastructure needed to power and protect AI workloads at scale.

Companies such as Oracle, CrowdStrike, and Microsoft, lead in gains, where the strategic integration and advancement of AI across their platforms played a pivotal role in driving strong performance during the first half of the year.

Oracle's advancements in its Oracle Cloud Infrastructure (OCI) Interconnect significantly enhanced the accessibility and adoption of multicloud deployments globally<sup>1</sup>. The company further strengthened its position by expanding partnerships with Microsoft Azure, Google Cloud, and Amazon Web Services (AWS), offering customers increased flexibility and operational efficiency<sup>1</sup>. Bolstering investor confidence, Oracle capped the second quarter with a landmark \$30 billion deal with OpenAI to support the expansion of its massive Stargate data center<sup>2</sup>.

Parallel to Oracle's infrastructure advancements, CrowdStrike responded to the increasing cybersecurity challenges posed by widespread cloud adoption. Their AI-powered subscription platform, Falcon Flex, has become essential in safeguarding cloud environments<sup>3</sup>, reflecting the growing priority enterprises place on cloud security.

Microsoft reinforced its leadership by committing \$80 billion toward AI-enabled cloud data centers<sup>4</sup>, aiming to meet soaring AI demand and a rapidly expanding user base. Its success was propelled by innovative AI-driven services like Azure OpenAI Service, Microsoft 365 Copilot, and GitHub Copilot<sup>5</sup>, which have become integral to Microsoft's cloud ecosystem.

Together, these developments highlight how continuous AI integration and infrastructure expansion are driving robust growth in the cloud computing and data center sectors, setting the stage for sustained momentum well into the future.

## Performance Attribution

For the six-month period ending June 30, 2025, Oracle Corporation made the biggest contribution to the Fund, followed by SAP SE, Sponsored ADR. By weight, the Fund's largest holdings were Oracle Corporation, Microsoft Corporation, and Intuit Inc.

(1) <https://www.oracle.com/news/announcement/oracle-interconnect-for-microsoft-azure-now-supports-oracle-us-government-cloud-2025-02-27/>

(2) <https://www.investors.com/news/technology/oracle-stock-cloud-deal-openai-tiktok/>

(3) <https://www.crn.com/news/security/2025/crowdstrike-cbo-on-embracing-ai-in-security-next-gen-siem-transformation>

(4) <https://www.ciodive.com/news/microsoft-ai-cloud-datacenter-investments-surge/736574/>

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(5) [https://windowsnews.ai/article/microsofts-ai-cloud-growth-soars-in-q3-fy25-with-31-azure-revenue-increase.364920?utm\\_source=chatgpt.com](https://windowsnews.ai/article/microsofts-ai-cloud-growth-soars-in-q3-fy25-with-31-azure-revenue-increase.364920?utm_source=chatgpt.com)

## 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 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 generally paid monthly. For the six-month period ended June 30, 2025, the Fund incurred \$47,344 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 six-month period ended June 30, 2025, the Fund incurred \$11,836 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 Cloud Computing 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>

	June 30, 2025 (\$)	December 31, 2024 (\$)	December 31, 2023 (\$)	December 31, 2022 (\$)	December 31, 2021 (\$)
For the periods ended:					
<b>Unhedged ETF Units - Net Assets per Unit</b>					
Net Assets per Unit, beginning of period	31.50	22.54	15.22	24.34	20.00
<b>Increase (decrease) from operations:</b>					
Total revenue	0.15	0.27	0.12	0.10	0.13
Total expenses	(0.15)	(0.24)	(0.29)	(0.18)	(0.24)
Realized gains (losses)	1.21	4.11	0.05	(4.20)	1.40
Unrealized gains (losses)	1.98	4.78	7.54	(5.01)	0.02
<b>Total increase (decrease) from operations<sup>2</sup></b>	<b>3.19</b>	<b>8.92</b>	<b>7.42</b>	<b>(9.29)</b>	<b>1.31</b>
<b>Distributions:</b>					
From income (excluding dividends)	(0.06)	-	-	-	-
From capital gains	-	-	-	-	(0.09)
Return of capital	-	(0.12)	(0.12)	(0.12)	(0.02)
<b>Total annual distributions<sup>3</sup></b>	<b>(0.06)</b>	<b>(0.12)</b>	<b>(0.12)</b>	<b>(0.12)</b>	<b>(0.11)</b>
<b>Net Assets per Unit, end of period</b>	<b>32.72</b>	<b>31.50</b>	<b>22.54</b>	<b>15.22</b>	<b>24.34</b>
<b>Hedged ETF Units - Net Assets per Unit</b>					
Net Assets per Unit, beginning of period	27.43	21.28	14.18	24.42	20.00
<b>Increase (decrease) from operations:</b>					
Total revenue	0.12	0.22	0.11	0.10	0.12
Total expenses	(0.11)	(0.20)	(0.26)	(0.17)	(0.24)
Realized gains (losses)	2.02	1.87	0.23	(4.56)	0.22
Unrealized gains (losses)	(0.03)	4.39	7.03	(6.10)	3.47
<b>Total increase (decrease) from operations<sup>2</sup></b>	<b>2.00</b>	<b>6.28</b>	<b>7.11</b>	<b>(10.73)</b>	<b>3.57</b>
<b>Distributions:</b>					
From income (excluding dividends)	(0.06)	-	-	-	-
From capital gains	-	-	-	-	(0.10)
Return of capital	-	(0.12)	(0.12)	(0.12)	(0.01)
<b>Total annual distributions<sup>3</sup></b>	<b>(0.06)</b>	<b>(0.12)</b>	<b>(0.12)</b>	<b>(0.12)</b>	<b>(0.11)</b>
<b>Net Assets per Unit, end of period</b>	<b>29.40</b>	<b>27.43</b>	<b>21.28</b>	<b>14.18</b>	<b>24.42</b>

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 and 2021. The Hedged and Unhedged ETF Units effectively began operations on January 6, 2021.

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.

# Evolve Cloud Computing Index Fund

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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
<b>Unhedged ETF Units - Ratios/Supplemental Data</b>					
Total Net Asset Value (\$)⁴	<b>1,636,010</b>	1,575,061	2,253,806	1,521,909	5,476,295
Number of units outstanding⁴	<b>50,000</b>	50,000	100,000	100,000	225,000
Management expense ratio⁵	<b>0.84%</b>	0.86%	0.85%	0.83%	0.85%
Trading expense ratio⁶	<b>0.06%</b>	0.07%	0.07%	0.07%	0.10%
Portfolio turnover rate⁷	<b>15.74%</b>	32.75%	36.96%	44.48%	42.23%
Net Asset Value per unit (\$)	<b>32.72</b>	31.50	22.54	15.22	24.34
Closing market price (\$)	<b>32.73</b>	31.53	22.53	15.21	24.35
<b>Hedged ETF Units - Ratios/Supplemental Data</b>					
Total Net Asset Value (\$)⁴	<b>16,170,024</b>	15,772,607	16,490,389	14,537,564	32,362,616
Number of units outstanding⁴	<b>550,000</b>	575,000	775,000	1,025,000	1,325,000
Management expense ratio⁵	<b>0.72%</b>	0.76%	0.86%	0.82%	0.85%
Trading expense ratio⁶	<b>0.06%</b>	0.07%	0.07%	0.07%	0.10%
Portfolio turnover rate⁷	<b>15.74%</b>	32.75%	39.96%	44.48%	43.23%
Net Asset Value per unit (\$)	<b>29.40</b>	27.43	21.28	14.18	24.42
Closing market price (\$)	<b>29.40</b>	27.44	21.26	14.12	24.55

4 This information is provided as at June 30, 2025, and December 31, 2024, 2023, 2022 and 2021.

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.

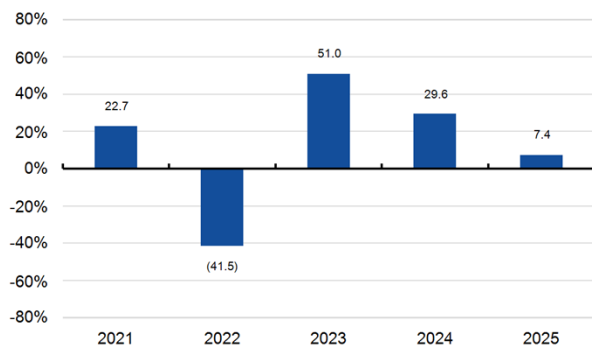
## Year-by-Year Returns

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.

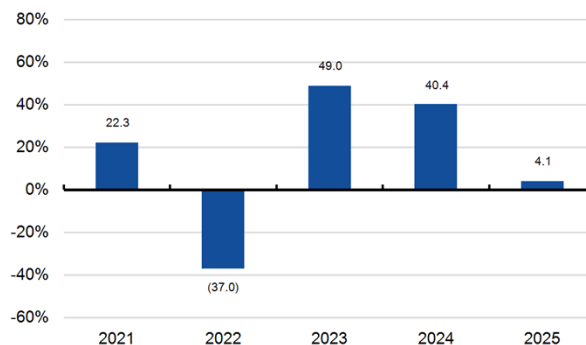
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## DATA Hedged ETF Units<sup>1</sup>



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



1 The Hedged ETF Units of the Fund effectively began operations on January 6, 2021.

2 The Unhedged ETF Units of the Fund effectively began operations on January 6, 2021.

## Summary of Investment Portfolio

### Top 25 Positions

Security	Percentage of Net Asset Value (%)
Oracle Corporation	9.7
Microsoft Corporation	7.6
Intuit Inc.	7.1
Amazon.com Inc.	7.0
SAP SE, ADR	7.0
ServiceNow Inc.	6.8
Alphabet Inc., Class 'A'	6.6
Salesforce Inc.	6.3
Palo Alto Networks Inc.	4.3
CrowdStrike Holdings Inc., Class 'A'	4.1
AppLovin Corporation, Class 'A'	3.5
MicroStrategy Inc., Class 'A'	3.2
Fortinet Inc.	2.6
Snowflake Inc., Class 'A'	2.4
Workday Inc., Class 'A'	1.6
Zscaler Inc.	1.5
Datadog Inc., Class 'A'	1.4
Seagate Technology Holdings PLC	1.0
HubSpot Inc.	0.9
Check Point Software Technologies Limited	0.8
WiseTech Global Limited	0.7
Western Digital Corporation	0.7
NetApp Inc.	0.7
Zoom Communications Inc., Class 'A'	0.7
Nutanix Inc., Class 'A'	0.7
<b>Total</b>	<b>88.9</b>

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## Industry Allocation

Portfolio by Category		Percentage of Net Asset Value (%)
<b>Equities</b>		
Communication Services		6.6
Consumer Discretionary		7.0
Information Technology		85.4
Derivative Assets		0.6
Derivative Liabilities		(0.1)
Cash and Cash Equivalents		0.4
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).



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