

Evolve Canadian Banks and Lifecos Enhanced Yield 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 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 Canadian Banks and Lifecos Enhanced Yield Index Fund (the “Fund”) seeks to replicate, to the extent reasonably possible and before fees and expenses, up to a 1.25 times multiple of the performance of the Solactive Canadian Core Financials Equal Weight Index, or any successor thereto, while mitigating downside risk. The Fund invests primarily in the equity constituents of the Solactive Canadian Core Financials Equal Weight Index, or any successor thereto, while writing covered call options on up to 33% of the portfolio securities in the portfolio, at the discretion of the Manager. The level of covered call option writing may vary based on market volatility and other factors. The Fund will use leverage in order to seek to achieve its investment objective. Leverage will be created through the use of cash borrowings or as otherwise permitted under applicable securities legislation.

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 Unhedged ETF Units returned 10.2% versus Solactive Canadian Core Financials Equal Weight Index (the “Index”) return of 10.3%. The Unhedged Class A Mutual Fund Units returned 9.6% and the Unhedged Class F Mutual Fund Units returned 10.2% versus the Index return of 10.3%. The Fund’s net assets were \$516.8MM as at June 30, 2025.

Leverage

The table below shows the minimum and maximum leverage levels of the Fund for the six-month period ended June 30, 2025, as well as the leverage at the end of the reporting period and as a percentage of the Fund’s net assets.

The Fund is classified as an “alternative mutual fund” as defined in National Instrument 81-102, Investment Funds (“NI 81-102”). As an alternative mutual fund, the Fund is permitted to lever its assets per the restrictions outlined in NI 81-102. The Fund currently anticipates achieving its investment objectives and creating leverage through the use of cash borrowing. The maximum aggregate exposure of the funds to cash borrowing will not exceed approximately 25% of NAV. In order to ensure that unitholders’ risk is limited to the capital invested, the funds’ leverage will be rebalanced back to 25% of the funds’ NAV within two business days of the funds’ leverage exceeding 2% above its target leverage ratio of 25% of NAV.

Leverage Calculation (Investments Market Value/Net Asset Value)

Period Ended	Minimum Leverage	Maximum Leverage	Leverage at the end of the Reporting Period	Percentage of Net Asset Value (%)
June 30, 2025	1.226 : 1	1.266 : 1	1.261 : 1	126.10
December 31, 2024	1.228 : 1	1.261 : 1	1.255 : 1	125.50

Portfolio Manager Commentary

The Canadian financial sector showed strong resilience through a challenging macroeconomic landscape in the first half of 2025, supported by robust capital markets activity, wealth management, and disciplined capital allocation.

The sector developed strong momentum throughout the period, with banks reporting revenue growth across core lending, capital markets, and wealth management. Capital markets were a key earnings driver, buoyed by a resurgence in trading and advisory activity. Wealth management also performed well, as improving investor sentiment and stronger equity markets led to record client inflows¹. Insurers like Manulife and Sun Life benefited from similar tailwinds, posting record insurance sales and significant asset growth amid sustained demand for long-term financial solutions.

Credit conditions remained a central focus in the first half of 2025, with provisions for credit losses rose across the sector as banks adopted a cautious stance amid elevated household debt, soft wage growth, and external trade risks. RBC, TD, and BMO each set aside over \$1 billion in provisions, reflecting a prudent approach to an evolving risk environment².

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Strategic capital deployment further supported sector performance. Institutions returned capital to shareholders via dividend hikes and buybacks, while also advancing long-term growth initiatives. TD's divestiture of its Schwab stake and \$8 billion repurchase program, alongside National Bank's acquisition of Canadian Western Bank, reflected a broader pivot toward domestic growth and capital strength³.

Despite ongoing trade pressures and credit uncertainty, Canadian banks delivered a strong first half of the year, underpinned by diversified revenue streams, renewed client activity, and sound capital management. Entering the second half of the year, the sector is backed by firm balance sheets, improving momentum, and growing investor confidence.

Performance Attribution

For the six-month period ending June 30, 2025, Canadian Imperial Bank of Commerce made the biggest contribution to the Fund, followed by Toronto-Dominion Bank. By weight, the Fund's largest holdings were Toronto-Dominion Bank, National Bank of Canada, and Bank of Montreal.

(1) <https://evolveetfs.com/2025/06/bank-quarterly-earnings-roundup-2/>

(2) <https://www.theglobeandmail.com/business/article-canada-banks-earnings-second-quarter-2025/>

(3) <https://www.nbc.ca/about-us/news-media/press-release/2025/20250203-nbc-concludes-acquisition-cwb.html>

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 0.60% of the net asset value of the Unhedged ETF Units and the Unhedged Class F Mutual Fund Units and 1.60% of the net asset value of the Unhedged Class A Mutual Fund Units of the Fund, accrued daily and generally paid monthly in arrears. For the six-month period ended June 30, 2025, the Fund incurred \$1,335,447 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.

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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 \$332,698 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

For the periods ended:	June 30, 2025 (\$)	December 31, 2024 (\$)	December 31, 2023 (\$)	December 31, 2022 (\$)
Unhedged ETF Units - Net Assets per Unit				
Net Assets per Unit, beginning of period	8.04	7.40	7.34	10.00
Increase (decrease) from operations:				
Total revenue	0.22	0.45	0.48	0.45
Total expenses	(0.07)	(0.17)	(0.17)	(0.14)
Realized gains (losses)	0.05	0.05	(0.35)	(0.17)
Unrealized gains (losses)	0.72	1.80	1.37	(1.01)
Total increase (decrease) from operations²	0.92	2.13	1.33	(0.87)
Distributions:				
From income (excluding dividends)	(0.66)	-	-	-
From dividends	-	(0.18)	(0.19)	(0.14)
From capital gains	-	-	-	(0.07)
Return of capital	-	(1.05)	(0.82)	(0.56)
Total annual distributions³	(0.66)	(1.23)	(1.01)	(0.77)
Net Assets per Unit, end of period	8.16	8.04	7.40	7.34
Unhedged Class A - Net Assets per Unit				
Net Assets per Unit, beginning of period	7.24	7.24	N/A	N/A
Increase (decrease) from operations:				
Total revenue	0.22	0.39	N/A	N/A
Total expenses	(0.11)	(0.23)	N/A	N/A
Realized gains (losses)	0.04	0.17	N/A	N/A
Unrealized gains (losses)	1.02	1.87	N/A	N/A
Total increase (decrease) from operations²	1.17	2.20	N/A	N/A
Distributions:				
From income (excluding dividends)	(0.66)	-	-	-
Return of capital	-	(1.13)	N/A	N/A
Total annual distributions³	(0.66)	(1.13)	N/A	N/A
Net Assets per Unit, end of period	8.05	7.99	N/A	N/A

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

	June 30, 2025 (\$)	December 31, 2024 (\$)	December 31, 2023 (\$)	December 31, 2022 (\$)
For the periods ended:				
Unhedged Class F - Net Assets per Unit				
Net Assets per Unit, beginning of period	7.24	7.24	N/A	N/A
Increase (decrease) from operations:				
Total revenue	0.22	0.41	N/A	N/A
Total expenses	(0.07)	(0.15)	N/A	N/A
Realized gains (losses)	0.06	0.06	N/A	N/A
Unrealized gains (losses)	0.48	1.83	N/A	N/A
Total increase (decrease) from operations²	0.69	2.15	N/A	N/A
Distributions:				
From income (excluding dividends)	(0.66)	-	-	-
From dividends	-	(0.10)	N/A	N/A
Return of capital	-	(1.03)	N/A	N/A
Total annual distributions³	(0.66)	(1.13)	N/A	N/A
Net Assets per Unit, end of period	8.17	8.05	N/A	N/A

- 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 and 2022. The Unhedged ETF Units effectively began operations on February 1, 2022 and the Unhedged Class A and F Mutual Fund Units effectively began operations on February 3, 2024.
- 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

	June 30, 2025	December 31, 2024	December 31, 2023	December 31, 2022
For the period ended:				
Unhedged ETF Units - Ratios/Supplemental Data				
Total Net Asset Value (\$) ⁴	508,256,268	336,396,533	97,705,318	34,880,960
Number of units outstanding ⁴	62,300,000	41,850,000	13,200,000	4,750,000
Management expense ratio ⁵	0.82%	0.83%	0.85%	0.84%
Trading expense ratio ⁶	0.97%	1.36%	1.08%	1.50%
Portfolio turnover rate ⁷	15.99%	27.83%	23.36%	20.16%
Net Asset Value per unit (\$)	8.16	8.04	7.40	7.34
Closing market price (\$)	8.17	8.05	7.41	7.36
Unhedged Class A - Ratios/Supplemental Data				
Total Net Asset Value (\$) ⁴	1,690,250	432,649	N/A	N/A
Number of units outstanding ⁴	209,912	54,179	N/A	N/A
Management expense ratio ⁵	1.96%	1.96%	N/A	N/A
Trading expense ratio ⁶	0.97%	1.36%	N/A	N/A
Portfolio turnover rate ⁷	15.99%	27.83%	N/A	N/A
Net Asset Value per unit (\$)	8.05	7.99	N/A	N/A

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

For the period ended:	June 30, 2025	December 31, 2024	December 31, 2023	December 31, 2022
Unhedged Class F - Ratios/Supplemental Data				
Total Net Asset Value (\$) ⁴	6,902,999	6,588,454	N/A	N/A
Number of units outstanding ⁴	844,417	818,004	N/A	N/A
Management expense ratio ⁵	0.85%	0.84%	N/A	N/A
Trading expense ratio ⁶	0.97%	1.36%	N/A	N/A
Portfolio turnover rate ⁷	15.99%	27.83%	N/A	N/A
Net Asset Value per unit (\$)	8.17	8.05	N/A	N/A

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

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. The trading expense ratio includes the cost of financing.

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.

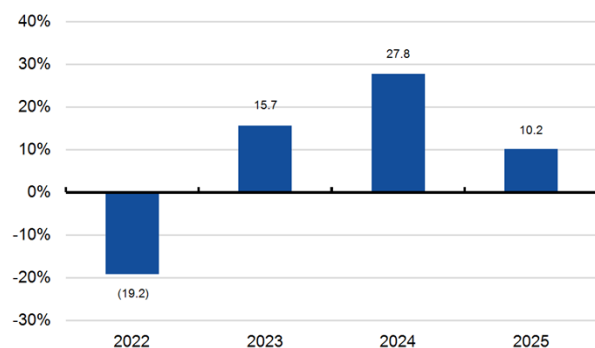
Past Performance

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.

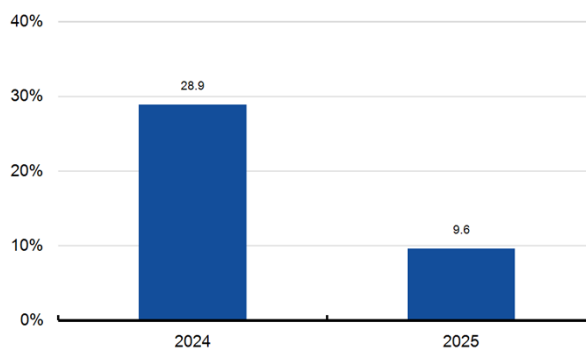
Year-by-Year Returns

The bar chart below shows the Unhedged ETF Units', Unhedged Class A and F Mutual Fund 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.

BANK Unhedged ETF Units¹



Unhedged Class A Mutual Fund Units²



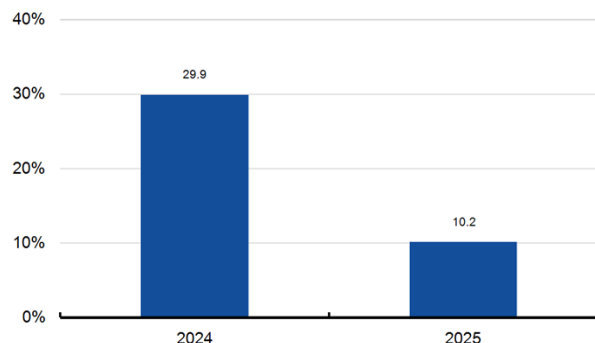
1 The Unhedged ETF Units of the Fund effectively began operations on February 1, 2022.

2 The Unhedged Class A Mutual Fund Units of the Fund effectively began operations on February 3, 2024.

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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 February 3, 2024.

Summary of Investment Portfolio

All Positions

	Percentage of Net Asset Value (%)
Security	
The Toronto-Dominion Bank	13.4
National Bank of Canada	13.4
Bank of Montreal	13.0
Canadian Imperial Bank of Commerce	12.7
The Bank of Nova Scotia	12.6
Sun Life Financial Inc.	12.6
Royal Bank of Canada	12.5
Power Corporation of Canada	12.4
Great-West Lifeco Inc.	11.8
Manulife Financial Corporation	11.7
Total	126.1

Industry Allocation

	Percentage of Net Asset Value (%)
Portfolio by Category	
Equities	
Financials	126.1
Derivative Liabilities	(0.3)
Cash and Cash Equivalents	1.9
Other Assets, less Liabilities	(27.7)
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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