

Evolve Cloud Computing Index Fund

December 31, 2025

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, 161 Bay Street, Suite 1210, Toronto, ON, M5J 2S1 or by visiting our website at www.evolveeefs.com or SEDAR+ at www.sedarplus.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 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

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, 2025, the Hedged ETF Units returned 6.8% versus the Solactive Global Cloud Computing Index (the "Index") return of 6.2%. The Unhedged ETF Units returned 5.1% versus the Index return of 6.2%. For a discussion of the relative performance of the Fund as compared to the Index, please refer to the "Annual Compound Return" section in the "Management Discussion of Fund Performance". The Fund's net assets were \$14.0MM as at December 31, 2025.

Portfolio Manager Commentary

The cloud computing landscape in 2025 highlighted both the scale and the strain of modern digital infrastructure. Surging artificial intelligence (AI) demand pushed AWS, Microsoft Azure, and Google Cloud to deliver strong AI-driven revenue growth, while simultaneously exposing capacity constraints tied to Graphics Processing Unit (GPU) shortages, power availability, and underlying hardware limits. The year made clear that cloud computing expansion is increasingly constrained by physical infrastructure realities rather than abstract service adoption.¹

Enterprises responded by accelerating the shift toward hybrid cloud architectures, blending public cloud, colocation, edge infrastructure, and private GPU deployments to balance cost, performance, and control. Neoclouds, bare-metal offerings, and private infrastructure gained traction as organizations reassessed workload placement, and data centers emerged as critical infrastructure in supporting both hybrid strategies and broader digital transformation.¹

High-profile outages reinforced the risks of concentration. Service disruptions at AWS and Microsoft Azure highlighted how reliance on a small number of hyperscale providers can create systemic vulnerabilities, prompting renewed focus on resilience, redundancy, and multi-cloud strategies.¹

Security practices also evolved alongside infrastructure complexity. Cloud data loss prevention shifted toward more targeted, risk-based frameworks focused on user behaviour and high-value data flows, reflecting the need for security models that adapt to distributed, hybrid, and multi-cloud environments.

Performance Attribution

For the twelve-month period ending December 31, 2025, Alphabet Inc., Class 'A' made the biggest contribution to the Fund, followed by AppLovin Corporation, Class 'A'. By weight, the Fund's largest holdings were Alphabet Inc., Class 'A', Amazon.com Inc., and Salesforce Inc.

(1) <https://www.datacenterknowledge.com/cloud/2025-cloud-highlights-ai-outages-and-the-future-of-infrastructure>

Recent Developments

In 2026, financial markets are operating in an environment increasingly shaped by heightened geopolitical conflict, most notably the developing war in the middle east. The escalation has triggered sharp moves across global markets, including spikes in oil and gas prices, increased demand for safe haven assets, and renewed volatility in equities, bonds, and foreign currencies. While underlying economic activity remains resilient in several regions, higher energy prices and elevated geopolitical uncertainty have added new risks to inflation trajectories and policy expectations. Governments are reassessing defense spending and trade arrangements, while central banks face a more complex balance between managing inflation pressures and supporting growth. Market volatility has intensified across asset classes, particularly in sectors sensitive to energy costs, geopolitical risk, and global supply chains. The duration and broader economic impact of the conflict remain uncertain, and the potential financial implications for investments continue to evolve as conditions develop.

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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 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 year ended December 31, 2025, the Fund incurred \$93,747 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, 2025, the Fund incurred \$24,253 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:	December 31, 2025 (\$)	December 31, 2024 (\$)	December 31, 2023 (\$)	December 31, 2022 (\$)	December 31, 2021 (\$)
Unhedged ETF Units - Net Assets per Unit					
Net Assets per Unit, beginning of period	31.50	22.54	15.22	24.34	20.00
Increase (decrease) from operations:					
Total revenue	0.21	0.27	0.12	0.10	0.13
Total expenses	(0.32)	(0.24)	(0.29)	(0.18)	(0.24)
Realized gains (losses)	6.39	4.11	0.05	(4.20)	1.40
Unrealized gains (losses)	(0.05)	4.78	7.54	(5.01)	0.02
Total increase (decrease) from operations²	6.23	8.92	7.42	(9.29)	1.31
Distributions:					
From capital gains	-	-	-	-	(0.09)
Return of capital	(0.12)	(0.12)	(0.12)	(0.12)	(0.02)
Total annual distributions³	(0.12)	(0.12)	(0.12)	(0.12)	(0.11)
Net Assets per Unit, end of period	32.98	31.50	22.54	15.22	24.34

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

For the periods ended:	December 31, 2025 (\$)	December 31, 2024 (\$)	December 31, 2023 (\$)	December 31, 2022 (\$)	December 31, 2021 (\$)
Hedged ETF Units - Net Assets per Unit					
Net Assets per Unit, beginning of period	27.43	21.28	14.18	24.42	20.00
Increase (decrease) from operations:					
Total revenue	0.18	0.22	0.11	0.10	0.12
Total expenses	(0.25)	(0.20)	(0.26)	(0.17)	(0.24)
Realized gains (losses)	6.74	1.87	0.23	(4.56)	0.22
Unrealized gains (losses)	(4.54)	4.39	7.03	(6.10)	3.47
Total increase (decrease) from operations²	2.13	6.28	7.11	(10.73)	3.57
Distributions:					
From capital gains	-	-	-	-	(0.10)
Return of capital	(0.12)	(0.12)	(0.12)	(0.12)	(0.01)
Total annual distributions³	(0.12)	(0.12)	(0.12)	(0.12)	(0.11)
Net Assets per Unit, end of period	29.18	27.43	21.28	14.18	24.42

- 1 This information is derived from the Fund's audited annual financial statements as at December 31, 2025, 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.

The Fund's Ratios/Supplemental Data

For the periods ended:	December 31, 2025	December 31, 2024	December 31, 2023	December 31, 2022	December 31, 2021
Unhedged ETF Units - Ratios/Supplemental Data					
Total Net Asset Value (\$) ⁴	824,415	1,575,061	2,253,806	1,521,909	5,476,295
Number of units outstanding ⁴	25,000	50,000	100,000	100,000	225,000
Management expense ratio ⁵	0.87%	0.86%	0.85%	0.83%	0.85%
Trading expense ratio ⁶	0.08%	0.07%	0.07%	0.07%	0.10%
Portfolio turnover rate ⁷	45.09%	32.75%	36.96%	44.48%	42.23%
Net Asset Value per unit (\$)	32.98	31.50	22.54	15.22	24.34
Closing market price (\$)	32.97	31.53	22.53	15.21	24.35
Hedged ETF Units - Ratios/Supplemental Data					
Total Net Asset Value (\$) ⁴	13,131,061	15,772,607	16,490,389	14,537,564	32,362,616
Number of units outstanding ⁴	450,000	575,000	775,000	1,025,000	1,325,000
Management expense ratio ⁵	0.73%	0.76%	0.86%	0.82%	0.85%
Trading expense ratio ⁶	0.08%	0.07%	0.07%	0.07%	0.10%
Portfolio turnover rate ⁷	45.09%	32.75%	39.96%	44.48%	43.23%
Net Asset Value per unit (\$)	29.18	27.43	21.28	14.18	24.42
Closing market price (\$)	29.19	27.44	21.26	14.12	24.55

- 4 This information is provided as at December 31, 2025, 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.

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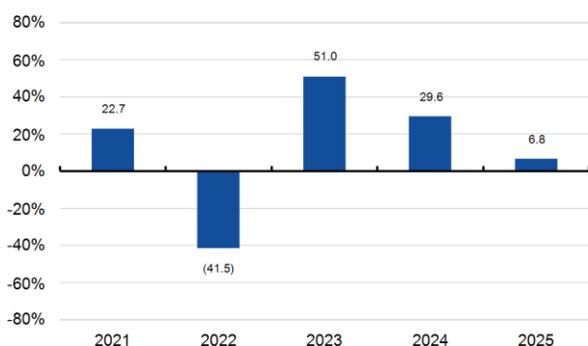
Past Performance

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.

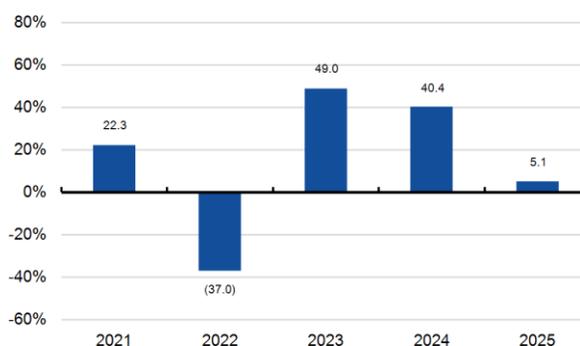
Year-by-Year Returns

The bar chart below shows the Hedged and Unhedged ETF Units' performance for each of the financial years shown. 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.

DATA Hedged ETF Units¹



DATA/B Unhedged ETF Units²



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.

Annual Compound Return

The table below shows the historical annual compound total return of the Hedged and Unhedged ETF Units. The returns are for the period ended December 31, 2025. The difference in performance of the Hedged and Unhedged ETF Units relative to the 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 used is unhedged while the Hedged ETF Units of the Fund are hedged to Canadian Dollars.

	Since Inception ¹ (%)	1 Year (%)	3 Year (%)
Hedged ETF Units	8.5	6.8	27.8
Solactive Global Cloud Computing Index ²	12.2	6.2	31.4
Unhedged ETF Units	11.1	5.1	30.0
Solactive Global Cloud Computing Index ²	12.2	6.2	31.4

1 From inception date of January 6, 2021.

2 The Index is an Index of Solactive AG and is calculated and distributed by Solactive AG. The Index tracks the performance of securities of companies that have business operations in the field of cloud computing. The Index components are assigned a weight based on market capitalization to a maximum individual weighting of 7.5%. The Index is calculated as a net total return index, is rebalanced quarterly and is denominated in Canadian Dollars.

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Summary of Investment Portfolio

Top 25 Positions

	Percentage of Net Asset Value (%)
Security	
Alphabet Inc., Class 'A'	10.1
Amazon.com Inc.	8.2
Salesforce Inc.	7.8
Microsoft Corporation	7.2
SAP SE, ADR	7.0
AppLovin Corporation, Class 'A'	6.4
Intuit Inc.	5.5
Oracle Corporation	5.5
ServiceNow Inc.	4.9
Palo Alto Networks Inc.	3.8
CrowdStrike Holdings Inc., Class 'A'	3.6
Snowflake Inc., Class 'A'	2.3
Fortinet Inc.	1.9
Seagate Technology Holdings PLC	1.8
Western Digital Corporation	1.8
Workday Inc., Class 'A'	1.4
Datadog Inc., Class 'A'	1.3
Paychex Inc.	1.2
Strategy Inc., Class 'A'	1.2
Zscaler Inc.	1.1
Sandisk Corporation	1.1
Kioxia Holdings Corporation	1.1
MongoDB Inc., Class 'A'	1.0
CoreWeave Inc., Class 'A'	0.9
Zoom Communications Inc., Class 'A'	0.7
Total	88.8

Industry Allocation

Portfolio by Category	Percentage of Net Asset Value (%)
Equities	
Communication Services	10.1
Consumer Discretionary	8.2
Industrials	1.2
Information Technology	80.2
Derivative Assets	0.1
Derivative Liabilities	(0.0)
Cash and Cash Equivalents	2.7
Other Assets, less Liabilities	(2.5)
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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