

Evolve FANGMA Index ETF

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 FANGMA Index ETF (the "Fund") seeks to replicate, to the extent reasonably possible and before fees and expenses, the performance of the Solactive FANGMA Equal Weight Index, or any successor thereto. The Fund invests in equity securities of Alphabet Inc., Amazon Inc., Apple Inc., Meta Platforms, Inc., Netflix Inc. and Microsoft Corp.

Risk

Effective April 25, 2025, the risk rating of the Hedged and 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, 2025, the Unhedged ETF Units returned 15.1% versus the Solactive FANGMA Equal Weight Index (the "Index") return of 15.9%. The Hedged ETF Units returned 18.2% versus the Index return of 15.9%. The US Dollar Unhedged ETF Units returned 20.5% versus the Index return of 15.9%. 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 \$128.4MM as at December 31, 2025.

Portfolio Manager Commentary

2025 was another strong year for the FANGMA big tech leaders, with all constituents posting positive returns for the year. Performance was led by Alphabet, supported by strong execution and growing momentum behind its Gemini artificial intelligence (AI) platform.

The rapid rise of generative AI following the launch of ChatGPT in late 2022 has driven one of the largest and fastest capital expenditure cycles in decades. At the center of this cycle is the infrastructure required to train and deploy AI at scale, including semiconductors, networking equipment, power systems, and data centers. The dominant U.S. technology firms are leading this investment push as they compete to establish leadership in what is increasingly viewed as a transformational, general-purpose technology.¹

Capital spending among these companies has more than doubled over the past two years, reaching approximately \$427 billion in 2025. Momentum shows little sign of slowing down, with projections calling for a further 30% increase in 2026 to roughly \$562 billion. This surge remains highly concentrated, with Microsoft, Amazon, Alphabet, and Meta accounting for the majority of incremental spending.¹

As a result, big tech capital expenditures as a share of revenue have risen to their highest level in more than a decade. This marks a clear shift away from the asset-light, capital-efficient models that defined the past decade, where growth and premium valuations were driven primarily by software, platforms, and network effects rather than large-scale investment in physical infrastructure.

Performance Attribution

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

(1) <https://www.rbcwealthmanagement.com/en-ca/insights/big-techs-ai-expansion-from-investment-to-scalable-returns>

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 0.40% 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 \$514,215 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 \$195,735 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	21.30	13.54	7.71	12.37	10.00
Increase (decrease) from operations:					
Total revenue	0.07	0.06	0.03	0.02	0.02
Total expenses	(0.15)	(0.12)	(0.08)	(0.06)	(0.05)
Realized gains (losses)	5.75	3.67	1.01	(1.53)	0.84
Unrealized gains (losses)	(2.59)	4.19	4.96	(3.77)	0.90
Total increase (decrease) from operations²	3.08	7.80	5.92	(5.34)	1.71
Distributions:					
From capital gains	(0.02)	(0.02)	-	-	-
Return of capital	-	-	(0.02)	(0.02)	(0.02)
Total annual distributions³	(0.02)	(0.02)	(0.02)	(0.02)	(0.02)
Net Assets per Unit, end of period	24.49	21.30	13.54	7.71	12.37

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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	17.53	12.21	6.88	12.01	10.00
Increase (decrease) from operations:					
Total revenue	0.06	0.05	0.02	0.02	0.02
Total expenses	(0.12)	(0.10)	(0.07)	(0.06)	(0.05)
Realized gains (losses)	5.37	1.75	0.89	(2.08)	(0.20)
Unrealized gains (losses)	(2.78)	3.53	4.40	(2.41)	1.76
Total increase (decrease) from operations²	2.53	5.23	5.24	(4.53)	1.53
Distributions:					
From capital gains	(0.02)	(0.02)	-	-	-
Return of capital	-	-	(0.02)	(0.02)	(0.02)
Total annual distributions³	(0.02)	(0.02)	(0.02)	(0.02)	(0.02)
Net Assets per Unit, end of period	20.70	17.53	12.21	6.88	12.01
US Dollar Unhedged ETF Units - Net Assets per Unit⁴					
Net Assets per Unit, beginning of period	26.20	16.66	9.49	15.23	12.31
Increase (decrease) from operations:					
Total revenue	0.09	0.07	0.03	0.03	0.02
Total expenses	(0.19)	(0.15)	(0.09)	(0.08)	(0.06)
Realized gains (losses)	7.18	4.11	1.16	(1.89)	0.88
Unrealized gains (losses)	(3.24)	5.66	6.21	(5.81)	2.01
Total increase (decrease) from operations²	3.84	9.69	7.31	(7.75)	2.85
Distributions:					
From capital gains	(0.03)	(0.03)	-	-	-
Return of capital	-	-	(0.03)	(0.03)	(0.02)
Total annual distributions³	(0.03)	(0.03)	(0.03)	(0.03)	(0.02)
Net Assets per Unit, end of period	30.13	26.20	16.66	9.49	15.23

- 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, Unhedged, and US Dollar Unhedged ETF Units effectively began operations on May 4, 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.
- 4 Per unit figures are stated in CAD equivalent.

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 (\$) ⁵	19,591,226	13,844,061	7,445,341	3,085,219	7,422,345
Number of units outstanding ⁵	800,000	650,000	550,000	400,000	600,001
Management expense ratio ⁶	0.62%	0.63%	0.64%	0.62%	0.62%
Trading expense ratio ⁷	0.01%	0.01%	0.01%	0.03%	0.02%
Portfolio turnover rate ⁸	95.53%	59.32%	62.65%	116.33%	75.02%
Net Asset Value per unit (\$)	24.49	21.30	13.54	7.71	12.37
Closing market price (\$)	24.50	21.30	13.53	7.72	12.40

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

For the periods ended:	December 31, 2025	December 31, 2024	December 31, 2023	December 31, 2022	December 31, 2021
Hedged ETF Units - Ratios/Supplemental Data					
Total Net Asset Value (\$) ⁵	103,289,567	103,245,829	70,096,307	37,156,230	36,616,111
Number of units outstanding ⁵	4,990,500	5,890,500	5,740,500	5,403,000	3,050,001
Management expense ratio ⁶	0.61%	0.62%	0.63%	0.63%	0.62%
Trading expense ratio ⁷	0.01%	0.01%	0.01%	0.03%	0.02%
Portfolio turnover rate ⁸	95.53%	59.32%	62.65%	116.33%	75.02%
Net Asset Value per unit (\$)	20.70	17.53	12.21	6.88	12.01
Closing market price (\$)	20.70	17.55	12.20	6.88	12.01
US Dollar Unhedged ETF Units - Ratios/Supplemental Data					
Total Net Asset Value (\$) ⁵	5,564,733	6,150,110	3,909,920	3,177,528	12,943,849
Number of units outstanding ⁵	184,700	234,700	234,700	334,700	850,001
Management expense ratio ⁶	0.64%	0.64%	0.64%	0.62%	0.62%
Trading expense ratio ⁷	0.01%	0.01%	0.01%	0.03%	0.02%
Portfolio turnover rate ⁸	95.53%	59.32%	62.65%	116.33%	75.02%
Net Asset Value per unit (\$)	30.13	26.20	16.66	9.49	15.23
Closing market price (\$)	30.13	26.18	16.66	9.50	15.33

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

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.

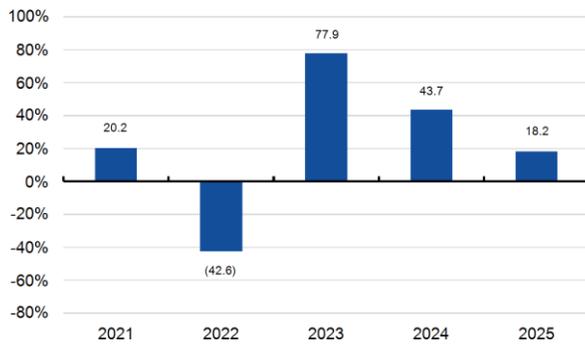
Year-by-Year Returns

The bar chart below shows the Hedged, Unhedged, and US Dollar 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.

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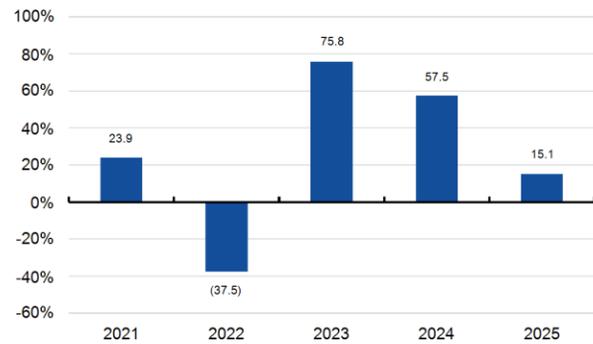
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TECH Hedged ETF Units¹



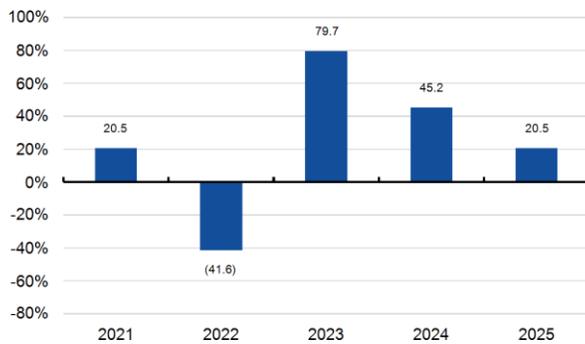
1 The Hedged ETF Units of the Fund effectively began operations on May 4, 2021.

TECH/B Unhedged ETF Units²



2 The Unhedged ETF Units of the Fund effectively began operations on May 4, 2021.

TECH/U US Dollar Unhedged ETF Units³



3 The US Dollar Unhedged ETF Units of the Fund effectively began operations on May 4, 2021. Returns presented based on NAV equivalent in USD.

Annual Compound Return

The table below shows the historical annual compound total return of the Hedged, Unhedged, and US Dollar Unhedged ETF Units. The returns are for the period ended December 31, 2025. The difference in performance of the Hedged, Unhedged and US Dollar 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. The difference in performance of the US Dollar Unhedged ETF Units relative to the Index can also be attributed to the fact that the Index used is denominated in Canadian Dollars while the US Dollar Unhedged ETF Units of the Fund are denominated in US Dollars.

	Since Inception ¹ (%)	1 Year (%)	3 Year (%)
Hedged ETF Units	17.1	18.2	44.5
Solactive FANGMA Equal Weight Index ²	22.4	15.9	48.4
Unhedged ETF Units	21.4	15.1	47.1
Solactive FANGMA Equal Weight Index ²	22.4	15.9	48.4
US Dollar Unhedged ETF Units	18.6	20.5	46.4

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	Since Inception ¹ (%)	1 Year (%)	3 Year (%)
Solactive FANGMA Equal Weight Index ²	22.4	15.9	48.4

- 1 From inception date of May 4, 2021 for the Hedged, Unhedged, and US Dollar Unhedged ETF Units.
- 2 The Index is an Index of Solactive AG and is calculated and distributed by Solactive AG. The Index tracks the performance of the leading technology companies: Facebook, Amazon, Alphabet, Netflix, Microsoft and Apple, on an equally-weighted basis. The Index is calculated as a net total return index, is rebalanced quarterly and is denominated in Canadian Dollars.

Summary of Investment Portfolio

All Positions

	Percentage of Net Asset Value (%)
Security	
Alphabet Inc., Class 'A'	20.4
Amazon.com Inc.	17.9
Apple Inc.	17.8
Microsoft Corporation	15.5
Meta Platforms Inc., Class 'A'	15.2
Netflix Inc.	12.9
Total	99.7

Industry Allocation

Portfolio by Category	Percentage of Net Asset Value (%)
Equities	
Communication Services	48.5
Consumer Discretionary	17.9
Information Technology	33.3
Derivative Assets	0.1
Cash and Cash Equivalents	1.1
Other Assets, less Liabilities	(0.9)
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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