

Evolve Innovation 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.evolveetfs.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 Innovation Index Fund (the "Fund") seeks to replicate, to the extent reasonably possible and before fees and expenses, the performance of the Solactive Global Innovation Index, or any successor thereto. The Fund directly or indirectly invests in equity securities of companies located domestically or internationally that are involved in innovative and disruptive trends across a broad range of industries.

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, Hedged ETF Units returned 12.2% versus the Solactive Global Innovation NTR Index (the "Index") return of 10.4%. The US Dollar Unhedged ETF Units returned 16.2% versus the Index return of 10.4%. The Hedged Class A Mutual Fund Units returned 11.0% and the Hedged Class F Mutual Fund Units returned 12.2% versus the Index return of 10.4%. 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 \$40.7MM as at December 31, 2025.

Portfolio Manager Commentary

Disruptive technology themes delivered strong performance in 2025, while also reaching important inflection points as scale, regulation, and infrastructure constraints became more prominent.

Cybersecurity marked a clear turning point. Nation-state activity intensified, targeting civilian and economic infrastructure, while major outages exposed the fragility of concentrated digital systems. Voluntary cyber compliance effectively ended as enforceable standards became a condition of doing business with the U.S. federal government, introducing real financial and legal consequences. Artificial intelligence (AI) amplified both digital defenses and attacks, accelerating response capabilities while allowing adversaries to operate at unprecedented scale.¹

Electric vehicle adoption continued to expand, though unevenly. Global battery electric vehicle (BEV) sales rose 30%, with BEVs accounting for more than 20% of global vehicle sales. China and Europe drove growth and penetration, while U.S. adoption remained sensitive to policy changes, leaving market share broadly stable. Hybrid vehicles continued to gain traction, reflecting a more gradual transition in some regions.²

Cloud computing highlighted both scale and strain. Strong AI-driven demand supported growth at AWS, Microsoft Azure, and Google Cloud, while exposing capacity constraints tied to Graphics Processing Units (GPU), power, and physical infrastructure. These pressures accelerated the shift toward hybrid and multi-cloud architectures, as enterprises prioritized resilience following high-profile outages.³

The video game industry saw consolidation, strategic divergence, and hardware success. A \$55 billion deal to take Electronic Arts private marked a major industry milestone, publisher performance diverged sharply, and evolving console strategies signalled a move toward more open ecosystems. Nintendo stood out by doubling down on exclusivity, with its Switch 2 becoming the fastest-selling console in history.⁴

Across these themes, 2025 underscored that disruptive technologies are scaling rapidly, but long-term outcomes increasingly depend on execution, resilience, and regulatory alignment rather than innovation alone.

Performance Attribution

For the twelve month period ending December 31, 2025, Evolve Cloud Computing Index Fund made the biggest contribution to the Fund, followed by Evolve E-Gaming Index ETF. By weight, the Fund's largest holdings were Evolve Cloud Computing Index Fund, Evolve Automobile Innovation Index Fund, and Evolve E-Gaming Index ETF.

(1) <https://www.forbes.com/sites/emilsayegh/2025/12/06/2025-cybersecurity-recap-the-year-systems-broke-setting-up-a-harder-2026/>

(2) <https://www.strategyand.pwc.com/de/en/industries/automotive/electric-vehicle-sales-review-q4-2025.html>

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

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(4) <https://www.cnn.com/2025/12/28/play-on-or-game-over-a-look-back-at-2025-for-the-video-game-industry.html>

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.

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 0.40% of the net asset value of the Hedged ETF Units, the US Dollar Unhedged ETF Units and the Hedged Class F Mutual Fund Units and 1.40% of the net asset value of the Hedged Class A Mutual Fund Units of the Fund, accrued daily and generally paid monthly in arrears. For the year ended December 31, 2025, the Fund incurred \$84,664 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 \$70,951 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

	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	38.80	33.45	26.65	40.04	35.71
Increase (decrease) from operations:					
Total revenue	0.30	0.26	0.28	0.16	0.24
Total expenses	(0.17)	(0.13)	(0.18)	(0.14)	(0.19)
Realized gains (losses)	3.01	0.84	(4.44)	(2.97)	2.94
Unrealized gains (losses)	1.74	4.63	11.32	(11.80)	0.32
Total increase (decrease) from operations²	4.88	5.60	6.98	(14.75)	3.31
Distributions:					
From dividends	(0.16)	(0.21)	(0.02)	(0.02)	(0.02)
Total annual distributions³	(0.16)	(0.21)	(0.02)	(0.02)	(0.02)
Net Assets per Unit, end of period	43.36	38.80	33.45	26.65	40.04
US Dollar Unhedged ETF Units - Net Assets per Unit⁴					
Net Assets per Unit, beginning of period	28.74	24.01	19.39	28.44	26.10
Increase (decrease) from operations:					
Total revenue	0.22	0.22	0.20	0.11	0.17
Total expenses	(0.13)	(0.10)	(0.13)	(0.10)	(0.13)
Realized gains (losses)	2.24	1.35	(3.62)	(2.31)	1.73
Unrealized gains (losses)	1.83	4.13	8.20	(7.67)	0.94
Total increase (decrease) from operations²	4.16	5.60	4.65	(9.97)	2.71
Distributions:					
From dividends	(0.12)	(0.16)	(0.03)	(0.02)	(0.02)
Return of capital	-	-	-	(0.01)	(0.01)
Total annual distributions³	(0.12)	(0.16)	(0.03)	(0.03)	(0.03)
Net Assets per Unit, end of period	31.76	28.74	24.01	19.39	28.44
Hedged Class A - Net Assets per Unit					
Net Assets per Unit, beginning of period	35.75	31.04	25.00	37.95	34.30
Increase (decrease) from operations:					
Total revenue	0.27	0.23	0.26	0.13	0.23
Total expenses	(0.55)	(0.50)	(0.48)	(0.45)	(0.60)
Realized gains (losses)	2.77	0.77	(4.27)	(2.76)	2.50
Unrealized gains (losses)	1.46	4.28	10.51	(10.01)	0.09
Total increase (decrease) from operations²	3.95	4.78	6.02	(13.09)	2.22
Distributions:					
From capital gains	-	-	-	-	(0.01)
Return of capital	(0.04)	(0.02)	(0.02)	(0.02)	(0.01)
Total annual distributions³	(0.04)	(0.02)	(0.02)	(0.02)	(0.02)
Net Assets per Unit, end of period	39.65	35.75	31.04	25.00	37.95

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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 Class F - Net Assets per Unit					
Net Assets per Unit, beginning of period	37.02	31.93	25.43	38.17	34.07
Increase (decrease) from operations:					
Total revenue	0.28	0.25	0.27	0.16	0.23
Total expenses	(0.16)	(0.12)	(0.17)	(0.13)	(0.18)
Realized gains (losses)	2.86	0.83	(4.35)	(2.96)	2.45
Unrealized gains (losses)	1.78	4.28	11.01	(12.64)	0.19
Total increase (decrease) from operations²	4.76	5.24	6.76	(15.57)	2.69
Distributions:					
From dividends	(0.15)	(0.21)	(0.02)	(0.02)	(0.02)
Total annual distributions³	(0.15)	(0.21)	(0.02)	(0.02)	(0.02)
Net Assets per Unit, end of period	41.37	37.02	31.93	25.43	38.17

- 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 ETF Units effectively began operations on April 30, 2018 and the US Dollar Unhedged ETF Units effectively began operations on January 7, 2021. The Hedged Class A and F Mutual Fund Units effectively began operations on June 4, 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.
- 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
Hedged ETF Units - Ratios/Supplemental Data					
Total Net Asset Value (\$) ⁵	35,768,609	39,767,257	47,672,513	49,962,468	110,102,937
Number of units outstanding ⁵	825,000	1,025,000	1,425,000	1,875,000	2,750,000
Management expense ratio excluding underlying fund expenses ⁶	0.31%	0.32%	0.33%	0.33%	0.33%
Management expense ratio ⁷	0.67%	0.67%	0.67%	0.67%	0.69%
Trading expense ratio ⁸	0.04%	0.03%	0.04%	0.04%	0.09%
Portfolio turnover rate ⁹	40.47%	30.86%	37.96%	52.90%	86.47%
Net Asset Value per unit (\$)	43.36	38.80	33.45	26.65	40.04
Closing market price (\$)	43.43	38.78	33.51	26.60	40.15
US Dollar Unhedged ETF Units - Ratios/Supplemental Data					
Total Net Asset Value (\$) ⁵	793,906	1,437,247	3,001,003	2,423,548	5,688,798
Number of units outstanding ⁵	25,000	50,000	125,000	125,000	200,000
Management expense ratio excluding underlying fund expenses ⁶	0.30%	0.33%	0.33%	0.33%	0.33%
Management expense ratio ⁷	0.66%	0.68%	0.67%	0.67%	0.69%
Trading expense ratio ⁸	0.04%	0.03%	0.04%	0.04%	0.09%
Portfolio turnover rate ⁹	40.47%	30.86%	37.96%	52.90%	86.47%
Net Asset Value per unit (\$)	31.76	28.74	24.01	19.39	28.44
Closing market price (\$)	31.86	28.78	24.03	19.46	28.46

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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 Class A - Ratios/Supplemental Data					
Total Net Asset Value (\$)⁵	2,017,346	2,044,765	2,105,802	1,889,842	3,296,352
Number of units outstanding⁵	50,883	57,190	67,842	75,599	86,850
Management expense ratio excluding underlying fund expenses⁶	1.34%	1.47%	1.44%	1.43%	1.45%
Management expense ratio⁷	1.70%	1.82%	1.78%	1.77%	1.82%
Trading expense ratio⁸	0.04%	0.03%	0.04%	0.04%	0.09%
Portfolio turnover rate⁹	40.47%	30.86%	37.96%	52.90%	86.47%
Net Asset Value per unit (\$)	39.65	35.75	31.04	25.00	37.95
Hedged Class F - Ratios/Supplemental Data					
Total Net Asset Value (\$)⁵	2,131,586	2,276,940	2,885,169	3,155,713	9,194,912
Number of units outstanding⁵	51,521	61,501	90,347	124,096	240,925
Management expense ratio excluding underlying fund expenses⁶	0.31%	0.31%	0.33%	0.32%	0.33%
Management expense ratio⁷	0.67%	0.66%	0.67%	0.67%	0.69%
Trading expense ratio⁸	0.04%	0.03%	0.04%	0.04%	0.09%
Portfolio turnover rate⁹	40.47%	30.86%	37.96%	52.90%	86.47%
Net Asset Value per unit (\$)	41.37	37.02	31.93	25.43	38.17

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

6 Management expense ratio excluding underlying fund expenses 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 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.

8 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.

9 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.

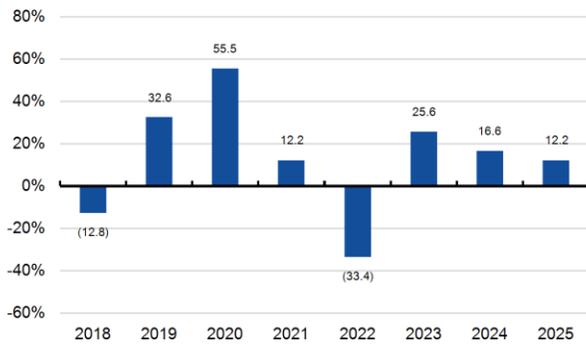
Year-by-Year Returns

The bar chart below shows the Hedged and US Dollar Unhedged ETF Units', and the Hedged Class A and F Mutual Fund 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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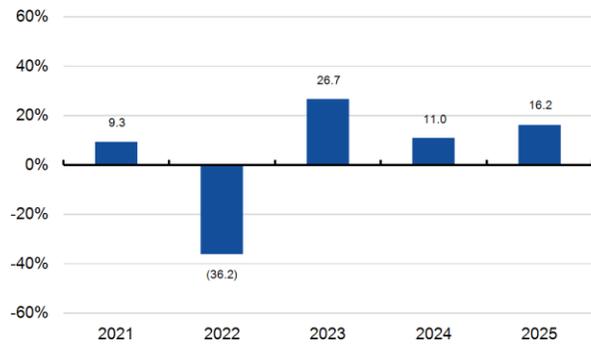
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EDGE Hedged ETF Units¹



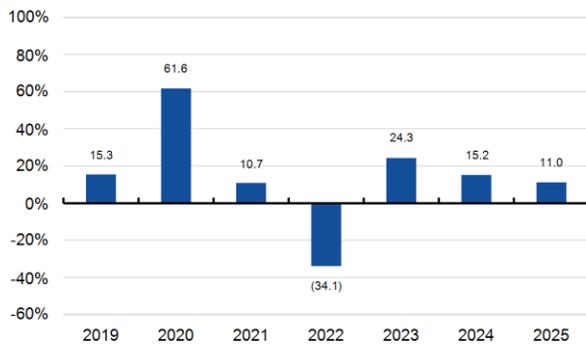
1 The Hedged ETF Units of the Fund effectively began operations on April 30, 2018.

EDGE/U US Dollar Unhedged ETF Units²



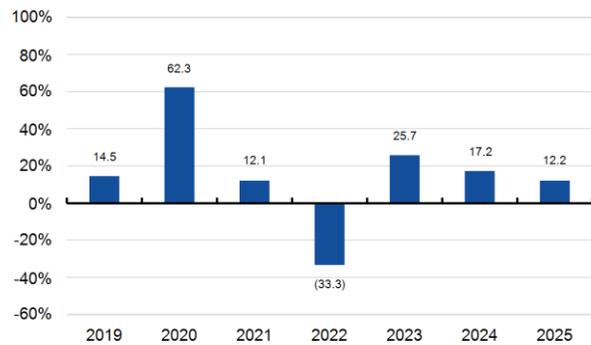
2 The US Dollar Unhedged ETF Units of the Fund effectively began operations on January 7, 2021. Returns presented based on NAV equivalent in USD.

Hedged Class A Mutual Fund Units³



3 The Hedged Class A Mutual Fund Units of the Fund effectively began operations on June 4, 2019.

Hedged Class F Mutual Fund Units⁴



4 The Hedged Class F Mutual Fund Units of the Fund effectively began operations on June 4, 2019.

Annual Compound Return

The table below shows the historical annual compound total return of the Hedged and US Dollar Unhedged ETF Units and the Hedged Class A and F Mutual Fund Units. The returns are for the period ended December 31, 2025. The difference in performance of the Hedged, and Unhedged US Dollar ETF Units, and the Hedged Class A and F Mutual Fund 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 (%)	5 Year (%)
Hedged ETF Units	10.9	12.2	18.0	4.2
Solactive Global Innovation NTR Index ²	14.0	10.4	19.8	7.0
US Dollar Unhedged ETF Units	2.6	16.2	17.7	N/A
Solactive Global Innovation NTR Index ²	6.6	10.4	19.8	N/A
Hedged Class A Mutual Fund Units	12.4	11.0	16.7	3.0

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	Since Inception ¹ (%)	1 Year (%)	3 Year (%)	5 Year (%)
Solactive Global Innovation NTR Index ²	15.7	10.4	19.8	7.0
Hedged Class F Mutual Fund Units	13.5	12.2	18.2	4.3
Solactive Global Innovation NTR Index ²	15.7	10.4	19.8	7.0

- 1 From inception date of April 30, 2018 for the Hedged ETF Units, from inception date of January 7, 2021 for the US Dollar Unhedged ETF Units and from inception date of June 4, 2019 for the Hedged Class A and F Mutual Fund Units.
- 2 The Index is an Index of Solactive AG and is calculated and distributed by Solactive AG. The Index provides exposure to companies that are involved in innovative and disruptive trends across a broad range of industries. The Index is calculated as a net total return ("NTR") index, adjusted on a quarterly basis and denominated in Canadian Dollars.

Summary of Investment Portfolio

Top 25 Positions

Security	Percentage of Net Asset Value (%)
Evolve Cloud Computing Index Fund	14.2
Evolve Automobile Innovation Index Fund	12.6
Evolve E-Gaming Index ETF	12.4
Evolve Cyber Security Index Fund	11.4
Qualcomm Inc.	2.9
Natera Inc.	1.7
Intuitive Surgical Inc.	1.6
Samsung Electronics Company Limited	1.6
Bristol-Myers Squibb Company	1.6
Merck & Company Inc.	1.6
Rockwell Automation Inc.	1.5
Danaher Corporation	1.5
Mettler-Toledo International Inc.	1.4
Corteva Inc.	1.4
Shopify Inc., Class 'A'	1.4
Verizon Communications Inc.	1.3
NVIDIA Corporation	1.3
Advanced Micro Devices Inc.	1.3
Mastercard Inc., Class 'A'	1.3
Premium Cash Management Fund	1.3
Intel Corporation	1.3
Visa Inc., Class 'A'	1.3
Hansoh Pharmaceutical Group Company Limited	1.3
Marvell Technology Inc.	1.3
Intuit Inc.	1.3
Total	81.8

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Industry Allocation

Portfolio by Category	Percentage of Net Asset Value (%)
Equities	
Communication Services	3.7
Consumer Discretionary	1.1
ETFs - Canadian Money Market	1.3
ETFs - International Equity	50.5
Financials	7.5
Health Care	14.2
Industrial	1.5
Information Technology	18.8
Materials	1.4
Derivative Assets	0.0
Derivative Liabilities	(0.0)
Cash and Cash Equivalents	1.1
Other Assets, less Liabilities	(1.1)
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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