

US High Interest Savings Account Fund

December 31, 2024

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, 40 King Street West, Suite 3404, Toronto, ON, M5H 3Y2 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 US High Interest Savings Account Fund (the "Fund") seeks to maximize monthly income while preserving capital and liquidity by investing primarily in high interest US dollar deposit accounts.

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, 2024, the Unhedged ETF Units returned 5.2%, the Unhedged Class A Mutual Fund Units returned 4.9%, the Unhedged Class F Mutual Fund Units returned 5.2%, and the Unhedged Class I Mutual Fund Units returned 6.3% after fees and expenses, versus the Bloomberg US Generic 1 Month T-Bill return of 5.1%. The Fund invested solely in bank deposits with Schedule 1 Canadian banks. The Fund's net assets were \$738.9MM as at December 31, 2024.

Portfolio Manager Commentary

In 2024, the United States Federal Reserve (Fed) shifted its monetary stance, cutting the overnight rate for the first time since the beginning of its aggressive rate-hiking cycle which was undertaken to combat heightened inflation. At the start of the year, the upper bound of the Fed's overnight rate stood at 5.5%, but by year end, it had dropped to 4.5% following a total of 100-basis-points in cuts.

By August, core Consumer Price Index had slowed to 3.2%, significantly down from its peak of 6.6% in late 2022¹. The cutting cycle then began in September with an unanticipated 50-basis-point reduction, catching markets off guard after months of hawkish statements from Fed Chair Jerome Powell. Powell had repeatedly cautioned against cutting rates too early, warning it could jeopardize progress in bringing inflation back to the 2.0% target. However, cooling inflation data supported the pivot, resulting in the decision to cut rates. Rising unemployment, which reached 4.1%, in addition to weakening consumer spending provided further justification for the September rate cut. The Fed continued its easing policy with three 25-basis-point cuts to end the year. At the December meeting, Powell signaled a slowdown in 2025, revising expectations from four cuts to two, reflecting a more cautious approach amid ongoing economic uncertainty.²

Even as rates decline, high interest savings account funds continue to offer liquidity and capital preservation amid uncertain economic conditions. Investors, particularly those with a conservative risk profile or in need of a steady cash flow, have found value in allocating a portion of their portfolio to high interest savings account products in order to safeguard against the eroding effects of inflation.

(1) https://www.bls.gov/news.release/archives/cpi_09112024.pdf

(2) <https://apnews.com/article/federal-reserve-inflation-loan-rates-economy-prices-7474747d890c0fdcc87454fd4c80aaa4>

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.

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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 0.15% of the net asset value of the Unhedged ETF Units and the Unhedged Class F Mutual Fund Units and 0.40% of the net asset value of the of the Unhedged Class A Mutual Fund Units of the Fund, accrued daily and generally paid monthly in arrears. The annual management fee is negotiable for the Unhedged Class I Mutual Fund Units of the Fund. For the year ended December 31, 2024, the Fund incurred \$1,517,636 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.

Operating Expenses

Operating expenses are covered by Manager that are 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.

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, 2024 (\$)	December 31, 2023 (\$)	December 31, 2022 (\$)
For the periods ended:			
Unhedged ETF Units - Net Assets per Unit			
Net Assets per Unit, beginning of period	100.03	100.03	100.00
Increase (decrease) from operations:			
Total revenue	5.21	5.45	1.41
Total expenses	(0.17)	(0.16)	(0.02)
Unrealized gains (losses)	-	-	0.01
Total increase (decrease) from operations²	5.04	5.29	1.40
Distributions:			
From income (excluding dividends)	(5.08)	(5.20)	(1.19)
From capital gains	-	-	(0.02)
Total annual distributions³	(5.08)	(5.20)	(1.21)
Net Assets per Unit, end of period	100.00	100.03	100.03
Unhedged Class A - Net Assets per Unit			
Net Assets per Unit, beginning of period	10.00	10.00	10.00
Increase (decrease) from operations:			
Total revenue	0.51	0.55	0.13
Total expenses	(0.04)	(0.05)	(0.01)
Total increase (decrease) from operations²	0.47	0.50	0.12
Distributions:			
From income (excluding dividends)	(0.48)	(0.49)	(0.11)
Total annual distributions³	(0.48)	(0.49)	(0.11)
Net Assets per Unit, end of period	10.00	10.00	10.00

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

	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	10.00	10.00	10.00
Increase (decrease) from operations:			
Total revenue	0.53	0.54	0.13
Total expenses	(0.02)	(0.01)	(0.01)
Unrealized gains (losses)	-	-	0.01
Total increase (decrease) from operations²	0.51	0.53	0.13
Distributions:			
From income (excluding dividends)	(0.51)	(0.52)	(0.11)
From capital gains	-	-	(0.01)
Total annual distributions³	(0.51)	(0.52)	(0.12)
Net Assets per Unit, end of period	10.00	10.00	10.00
Unhedged Class I - Net Assets per Unit			
Net Assets per Unit, beginning of period	10.00	10.00	10.00
Increase (decrease) from operations:			
Total revenue	0.60	0.59	0.12
Total increase (decrease) from operations²	0.60	0.59	0.12
Distributions:			
From income (excluding dividends)	(0.61)	(0.58)	(0.09)
From capital gains	-	-	(0.03)
Total annual distributions³	(0.61)	(0.58)	(0.12)
Net Assets per Unit, end of period	10.00	10.00	10.00

- 1 This information is derived from the Fund's audited annual financial statements as at December 31, 2024, 2023 and 2022. The Unhedged ETF Units, and the Unhedged Class A, F, and I Mutual Fund Units effectively began operations on August 30, 2022.
- 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

	December 31, 2024	December 31, 2023	December 31, 2022
For the period ended:			
Unhedged ETF Units - Ratios/Supplemental Data			
Total Net Asset Value (\$) ⁴	345,000,000	267,577,699	85,021,681
Number of units outstanding ⁴	3,450,000	2,675,000	850,000
Management expense ratio ⁵	0.17%	0.16%	0.06%
Trading expense ratio ⁶	0.00%	0.00%	0.00%
Net Asset Value per unit (\$)	100.00	100.03	100.03
Closing market price (\$)	100.04	100.01	100.03
Unhedged Class A - Ratios/Supplemental Data			
Total Net Asset Value (\$) ⁴	134,265,027	300,498,141	25,006,702
Number of units outstanding ⁴	13,426,503	30,041,364	2,500,379
Management expense ratio ⁵	0.45%	0.45%	0.44%
Trading expense ratio ⁶	0.00%	0.00%	0.00%
Net Asset Value per unit (\$)	10.00	10.00	10.00

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

For the period ended:	December 31, 2024	December 31, 2023	December 31, 2022
Unhedged Class F - Ratios/Supplemental Data			
Total Net Asset Value (\$)⁴	259,593,869	296,984,954	144,698,914
Number of units outstanding⁴	25,959,387	29,689,874	14,468,097
Management expense ratio⁵	0.17%	0.17%	0.16%
Trading expense ratio⁶	0.00%	0.00%	0.00%
Net Asset Value per unit (\$)	10.00	10.00	10.00
Unhedged Class I - Ratios/Supplemental Data			
Total Net Asset Value (\$)⁴	114	107	101
Number of units outstanding⁴	11	11	10
Management expense ratio⁵,⁷	0.00%	0.00%	0.00%
Trading expense ratio⁶	0.00%	0.00%	0.00%
Net Asset Value per unit (\$)	10.00	10.00	10.00

4 This information is provided as at 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.

7 The management fee for the Unhedged Class I Mutual Fund Units is negotiable and is paid by the unitholder directly to the Manager. As a result, the management fee is not included in the MER for the Unhedged Class I Mutual Fund Units of the Fund.

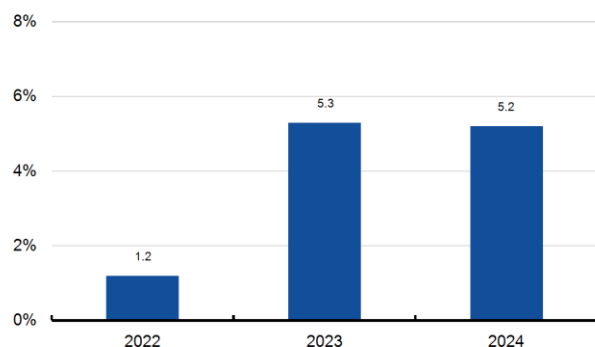
Past Performance

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.

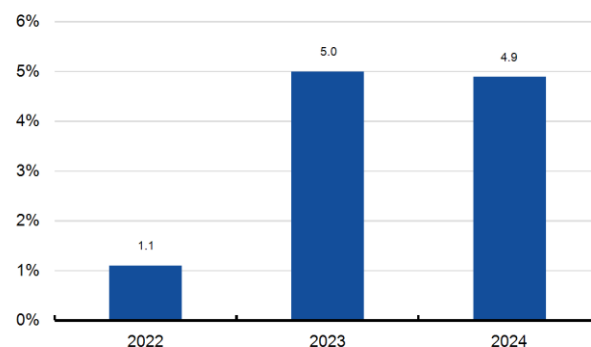
Year-by-Year Returns

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

HISU Unhedged ETF Units¹



Unhedged Class A Mutual Fund Units²



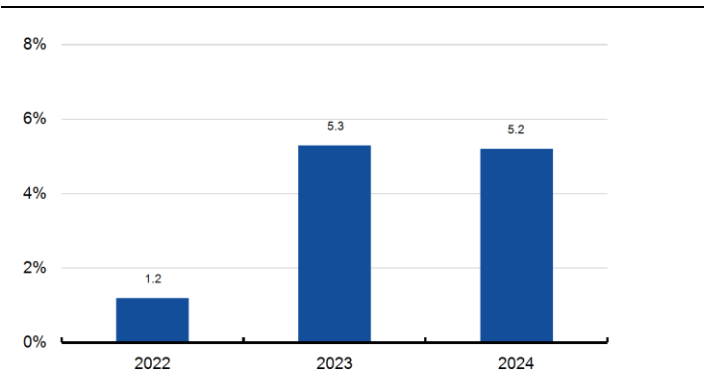
1 The Unhedged ETF Units of the Fund effectively began operations on August 30, 2022.

2 The Unhedged Class A Mutual Fund Units of the Fund effectively began operations on August 30, 2022.

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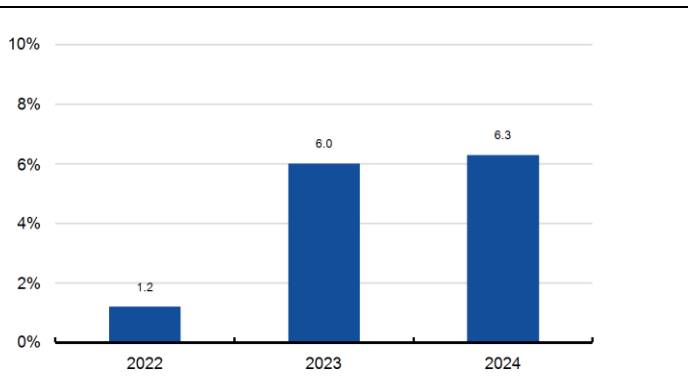
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Unhedged Class F Mutual Fund Units³



3 The Unhedged Class F Mutual Fund Units of the Fund effectively began operations on August 30, 2022.

Unhedged Class I Mutual Fund Units⁴



4 The Unhedged Class I Mutual Fund Units of the Fund effectively began operations on August 30, 2022.

Summary of Investment Portfolio

All Positions

	Percentage of Net Asset Value (%)
Security	
Scotiabank Cash Account	49.4
National Bank of Canada Cash Account	49.3
CIBC Cash Account	1.0
Total	99.7

Industry Allocation

Portfolio by Category	Percentage of Net Asset Value (%)
Bank Deposits	
US High Interest Savings Cash Accounts	99.7
Cash and Cash Equivalents	0.0
Other Assets, less Liabilities	0.3
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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