Evolve Innovation Index 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.

Evolve Innovation Index Fund

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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. The Solactive Global Innovation Index has been designed to reflect the performance of equity securities of companies listed 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, 2024, Hedged ETF Units returned 16.6% versus the Solactive Global Innovation NTR Index (the "Index") return of 26.3%. The US Dollar Unhedged ETF Units returned 11.0% versus the Index return of 26.3%. The Hedged Class A Mutual Fund Units returned 15.2% and the Hedged Class F Mutual Fund Units returned 17.2% versus the Index return of 26.3%. 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 $45.5MM as at December 31, 2024.

Portfolio Manager Commentary

The technology and disruptive innovation sector delivered mixed results in 2024, with a slow start in the first half of the year and a strong rally in the second half. Artificial intelligence (AI) remained a dominant theme during the period, with companies rapidly adopting AI-driven solutions to enhance productivity, automate workflows, and transform industries like healthcare, finance, and manufacturing. This rapid integration spurred innovation, unlocked new revenue streams, and underscored the transformative power of technology. As a result, technology and innovation remained pivotal drivers of market performance during the period.

The electric vehicle (EV) market faced challenges throughout the year, with slower demand in Europe and China due to high inflation and interest rates, further compounded by supply chain disruptions. Regardless of these headwinds, Tesla achieved record-high stock prices during the period driven by strategic political relationships[1]. However, growth across the broader EV industry slowed. Conversely, charging infrastructure providers like EVgo and ChargePoint thrived, securing key funding and partnerships[2]. Despite short-term setbacks, the EV manufacturing and infrastructure sectors remained positioned for long-term growth driven by technological advances and global electrification initiatives.

The cybersecurity industry demonstrated resilience, with strong demand fueled by increasing cyber threats and AI-driven advancements. Companies such as CyberArk Software excelled by focusing on identity security, while CrowdStrike recovered swiftly from a software mishap, reflecting industry strength and adaptability[3]. The sector remains crucial as digitalization expands.

The eGaming sector saw mixed results during the year. Growth in mobile and subscription gaming offset challenges in traditional markets[4], while at the same time economic pressures dampened sales of higher priced products. Innovations in generative AI began reshaping game development, while new hardware cycles and immersive technologies signal future opportunities for the industry as a whole.

The cloud computing market sustained robust momentum, propelled by AI integration into critical infrastructure. Leading providers like AWS and Microsoft Azure drove digital transformation, while sustainable energy investments addressed rising power demands. The sector's foundational role in the digital economy positions it for continued expansion in the years to come.

Despite the volatility experienced during the period, 2024 highlighted the structural growth drivers and resilience of the Fund's targeted industries. As these innovative sectors continue to advance, the Fund remains well-positioned to capitalize on the transformative trends shaping the global economy.

Performance Attribution

For the twelve-month period ending December 31, 2024, Evolve Cloud Computing Index Fund made the biggest contribution to the Fund, followed by Evolve Cyber Security Index ETF. By weight, the Fund's largest holdings were Evolve Cloud Computing Index Fund, Evolve E-Gaming Index ETF, and Evolve Automobile Innovation Index ETF.

(1) https://www.bloomberg.com/news/articles/2024-12-11/tesla-climbs-to-all-time-high-after-515-billion-rally-in-six-weeks

(2) https://www.bnnbloomberg.ca/investing/2024/10/03/evgo-jumps-37-after-11-billion-loan-commitment-from-doe/

(3) https://www.ft.com/content/e98e0d35-38f4-476e-bd22-7f74162df5b4

(4) https://usv.edu/blog/the-rise-of-mobile-gaming/

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 0.40% 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, 2024, the Fund incurred $102,126 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, 2024, the Fund incurred $86,557 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.

Evolve Innovation Index 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 Unit[1]

For the periods ended:	**December 31, 2024 ($)**	December 31, 2023 ($)	December 31, 2022 ($)	December 31, 2021 ($)	December 31, 2020 ($)
Hedged ETF Units - Net Assets per Unit					
Net Assets per Unit, beginning of period	**33.45**	26.65	40.04	35.71	22.99
Increase (decrease) from operations:					
Total revenue	**0.26**	0.28	0.16	0.24	0.21
Total expenses	**(0.13)**	(0.18)	(0.14)	(0.19)	(0.20)
Realized gains (losses)	**0.84**	(4.44)	(2.97)	2.94	4.30
Unrealized gains (losses)	**4.63**	11.32	(11.80)	0.32	9.85
Total increase (decrease) from operations[2]	**5.60**	**6.98**	**(14.75)**	**3.31**	**14.16**
Distributions:					
From dividends	**(0.21)**	(0.02)	(0.02)	(0.02)	(0.02)
Total annual distributions[3]	**(0.21)**	**(0.02)**	**(0.02)**	**(0.02)**	**(0.02)**
Net Assets per Unit, end of period	**38.80**	**33.45**	**26.65**	**40.04**	**35.71**
US Dollar Unhedged ETF Units - Net Assets per Unit[4]					
Net Assets per Unit, beginning of period	**24.01**	19.39	28.44	26.10	N/A
Increase (decrease) from operations:					
Total revenue	**0.22**	0.20	0.11	0.17	N/A
Total expenses	**(0.10)**	(0.13)	(0.10)	(0.13)	N/A
Realized gains (losses)	**1.35**	(3.62)	(2.31)	1.73	N/A
Unrealized gains (losses)	**4.13**	8.20	(7.67)	0.94	N/A
Total increase (decrease) from operations[2]	**5.60**	**4.65**	**(9.97)**	**2.71**	**N/A**
Distributions:					
From dividends	**(0.16)**	(0.03)	(0.02)	(0.02)	N/A
Return of capital	**-**	-	(0.01)	(0.01)	N/A
Total annual distributions[3]	**(0.16)**	**(0.03)**	**(0.03)**	**(0.03)**	**N/A**
Net Assets per Unit, end of period	**28.74**	**24.01**	**19.39**	**28.44**	**N/A**
Hedged Class A - Net Assets per Unit					
Net Assets per Unit, beginning of period	**31.04**	25.00	37.95	34.30	21.24
Increase (decrease) from operations:					
Total revenue	**0.23**	0.26	0.13	0.23	0.21
Total expenses	**(0.50)**	(0.48)	(0.45)	(0.60)	(0.49)
Realized gains (losses)	**0.77**	(4.27)	(2.76)	2.50	5.92
Unrealized gains (losses)	**4.28**	10.51	(10.01)	0.09	12.30
Total increase (decrease) from operations[2]	**4.78**	**6.02**	**(13.09)**	**2.22**	**17.94**
Distributions:					
From dividends	**-**	-	-	-	(0.02)
From capital gains	**-**	-	-	(0.01)	-
Return of capital	**(0.02)**	(0.02)	(0.02)	(0.01)	-
Total annual distributions[3]	**(0.02)**	**(0.02)**	**(0.02)**	**(0.02)**	**(0.02)**
Net Assets per Unit, end of period	**35.75**	**31.04**	**25.00**	**37.95**	**34.30**

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The Fund's Net Assets Per Unit[1] (cont'd)

For the periods ended:	**December 31, 2024 ($)**	December 31, 2023 ($)	December 31, 2022 ($)	December 31, 2021 ($)	December 31, 2020 ($)
Hedged Class F - Net Assets per Unit					
Net Assets per Unit, beginning of period	**31.93**	25.43	38.17	34.07	21.00
Increase (decrease) from operations:					
Total revenue	**0.25**	0.27	0.16	0.23	0.19
Total expenses	**(0.12)**	(0.17)	(0.13)	(0.18)	(0.22)
Realized gains (losses)	**0.83**	(4.35)	(2.96)	2.45	8.05
Unrealized gains (losses)	**4.28**	11.01	(12.64)	0.19	14.30
Total increase (decrease) from operations[2]	**5.24**	**6.76**	**(15.57)**	**2.69**	**22.32**
Distributions:					
From dividends	**(0.21)**	(0.02)	(0.02)	(0.02)	(0.01)
From capital gains	**-**	-	-	-	(0.01)
Return of capital	**-**	-	-	-	-
Total annual distributions[3]	**(0.21)**	**(0.02)**	**(0.02)**	**(0.02)**	**(0.02)**
Net Assets per Unit, end of period	**37.02**	**31.93**	**25.43**	**38.17**	**34.07**

1 This information is derived from the Fund's audited annual financial statements as at December 31, 2024, 2023, 2022, 2021, and 2020. 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, 2024**	December 31, 2023	December 31, 2022	December 31, 2021	December 31, 2020
Hedged ETF Units - Ratios/Supplemental Data					
Total Net Asset Value ($)[5]	**39,767,257**	47,672,513	49,962,468	110,102,937	40,178,061
Number of units outstanding[5]	**1,025,000**	1,425,000	1,875,000	2,750,000	1,125,000
Management expense ratio excluding underlying fund expenses[6]	**0.32%**	0.33%	0.33%	0.33%	0.50%
Management expense ratio[7]	**0.67%**	0.67%	0.67%	0.69%	0.66%
Trading expense ratio[8]	**0.03%**	0.04%	0.04%	0.09%	0.14%
Portfolio turnover rate[9]	**30.86%**	37.96%	52.90%	86.47%	82.42%
Net Asset Value per unit ($)	**38.80**	33.45	26.65	40.04	35.71
Closing market price ($)	**38.78**	33.51	26.60	40.15	35.72
US Dollar Unhedged ETF Units - Ratios/Supplemental Data					
Total Net Asset Value ($)[5]	**1,437,247**	3,001,003	2,423,548	5,688,798	N/A
Number of units outstanding[5]	**50,000**	125,000	125,000	200,000	N/A
Management expense ratio excluding underlying fund expenses[6]	**0.33%**	0.33%	0.33%	0.33%	N/A
Management expense ratio[7]	**0.68%**	0.67%	0.67%	0.69%	N/A
Trading expense ratio[8]	**0.03%**	0.04%	0.04%	0.09%	N/A
Portfolio turnover rate[9]	**30.86%**	37.96%	52.90%	86.47%	N/A
Net Asset Value per unit ($)	**28.74**	24.01	19.39	28.44	N/A
Closing market price ($)	**28.78**	24.03	19.46	28.46	N/A

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

For the periods ended:	**December 31, 2024**	December 31, 2023	December 31, 2022	December 31, 2021	December 31, 2020
Hedged Class A - Ratios/Supplemental Data					
Total Net Asset Value ($)[5]	**2,044,765**	2,105,802	1,889,842	3,296,352	909,640
Number of units outstanding[5]	**57,190**	67,842	75,599	86,850	26,516
Management expense ratio excluding underlying fund expenses[6]	**1.47%**	1.44%	1.43%	1.45%	1.55%
Management expense ratio[7]	**1.82%**	1.78%	1.77%	1.82%	1.75%
Trading expense ratio[8]	**0.03%**	0.04%	0.04%	0.09%	0.14%
Portfolio turnover rate[9]	**30.86%**	37.96%	52.90%	86.47%	82.42%
Net Asset Value per unit ($)	**35.75**	31.04	25.00	37.95	34.30
Hedged Class F - Ratios/Supplemental Data					
Total Net Asset Value ($)[5]	**2,276,940**	2,885,169	3,155,713	9,194,912	2,026,134
Number of units outstanding[5]	**61,501**	90,347	124,096	240,925	59,476
Management expense ratio excluding underlying fund expenses[6]	**0.31%**	0.33%	0.32%	0.33%	0.55%
Management expense ratio[7]	**0.66%**	0.67%	0.67%	0.69%	0.75%
Trading expense ratio[8]	**0.03%**	0.04%	0.04%	0.09%	0.14%
Portfolio turnover rate[9]	**30.86%**	37.96%	52.90%	86.47%	82.42%
Net Asset Value per unit ($)	**37.02**	31.93	25.43	38.17	34.07

5 This information is provided as at December 31, 2024, 2023, 2022, 2021, and 2020.

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.

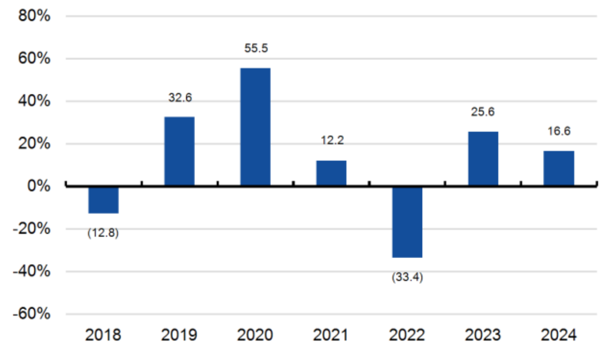
Past Performance

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

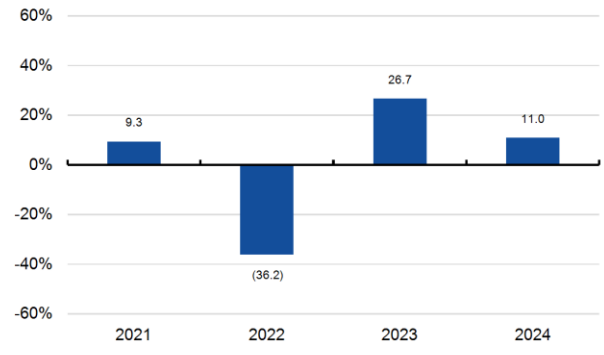
The bar chart below shows the Hedged and US Dollar Unhedged ETF Units’, and the Hedged Class A and F Mutual Fund Units’ performance for each of the financial years shown. The chart shows, in percentage terms, how much an investment made in the Fund on the first day of each financial period would have grown or decreased by the last day of that financial period.

EDGE Hedged ETF Units[1]



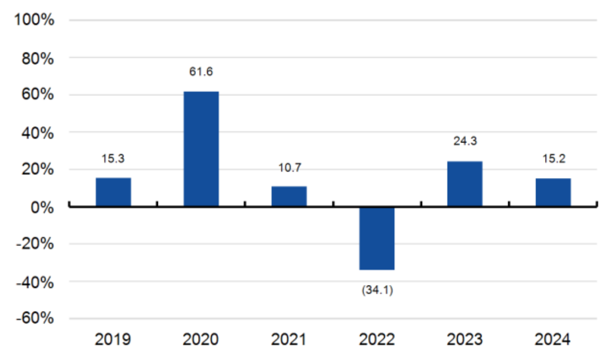
1 The Hedged ETF Units of the Fund effectively began operations on April 30, 2018.

EDGE/U US Dollar Unhedged ETF Units[2]



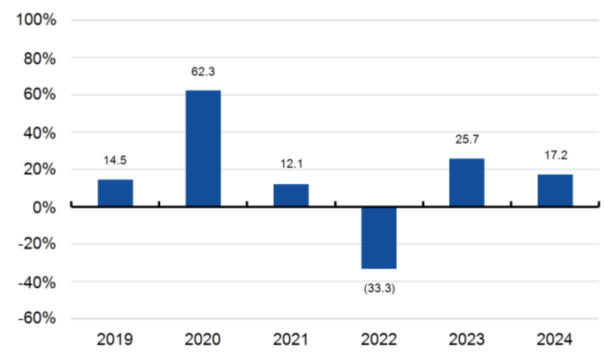
2 The US Dollar Unhedged ETF Units of the Fund effectively began operations on January 7, 2021. Returns presented based on NAV equivalent in USD.

Hedged Class A Mutual Fund Units[3]



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

Hedged Class F Mutual Fund Units[4]



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, 2024. 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.

The Index used in the table below is different from the Index used in the most recently filed Management Report of Fund Performance for the Hedged and US Dollar Unhedged ETF Units and for the Hedged Class A and F Mutual Fund Units because the Index used below is an Unhedged total return index which assumes that all distributions made by the investment fund are reinvested in the Fund. Whereas the prior Index used for the Hedged and US Dollar Unhedged ETF Units and the Hedged Class A and F Mutual Fund Units presented performance as Canadian Dollar Hedged price return only.

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	Since Inception[1] (%)	1 Year (%)	3 Year (%)	5 Year (%)
Hedged ETF Units	10.7	16.6	(0.8)	11.2
Solactive Global Innovation NTR Index[2]	14.5	26.3	3.3	15.7
US Dollar Unhedged ETF Units	(0.5)	11.0	(3.6)	N/A
Solactive Global Innovation NTR Index[2]	5.7	26.3	3.3	N/A
Hedged Class A Mutual Fund Units	12.7	15.2	(1.9)	11.0
Solactive Global Innovation NTR Index[2]	16.7	26.3	3.3	15.7
Hedged Class F Mutual Fund Units	13.7	17.2	(0.6)	12.3
Solactive Global Innovation NTR Index[2]	16.7	26.3	3.3	15.7

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	13.3
Evolve E-Gaming Index ETF	13.0
Evolve Automobile Innovation Index Fund	12.1
Evolve Cyber Security Index Fund	11.8
Qualcomm Inc.	2.3
Marvell Technology Inc.	1.8
Coinbase Global Inc., Class 'A'	1.7
Shopify Inc., Class 'A'	1.6
Block Inc., Class 'A'	1.5
Natera Inc.	1.5
Visa Inc., Class 'A'	1.4
Fortinet Inc.	1.4
Sony Group Corporation, ADR	1.4
AT&T Inc.	1.4
Fiserv Inc.	1.4
Bristol-Myers Squibb Company	1.4
Intuit Inc.	1.4
PayPal Holdings Inc.	1.3
Mastercard Inc., Class 'A'	1.3
T-Mobile US Inc.	1.3
Intuitive Surgical Inc.	1.3
Crowdstrike Holdings Inc., Class 'A'	1.3
NVIDIA Corporation	1.3
Corteva Inc.	1.2
Canon Inc.	1.2
Total	**80.6**

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Industry Allocation

Portfolio by Category	Percentage of Net Asset Value (%)
Equities	
Communication Services	3.9
Consumer Discretionary	1.4
ETFs - Canadian Money Market	0.8
ETFs - International Equity	50.2
Financials	11.1
Health Care	11.9
Information Technology	19.7
Materials	1.2
Derivative Assets	0.0
Derivative Liabilities	(0.0)
Cash and Cash Equivalents	0.2
Other Assets, less Liabilities	(0.4)
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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