Evolve Active Global Fixed Income Fund

December 31, 2019

Annual Management Report of Fund Performance

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Investment Objective and Strategies

The Evolve Active Global Fixed Income Fund (the “Fund”) seeks to generate positive returns throughout the interest rate and economic cycles, first by allocating to different credit asset classes, and also through bottom-up individual security selection. The Fund seeks to provide long term returns in excess of the 3-month U.S. dollar London Interbank Offered Rate (“LIBOR”) by investing primarily in global debt securities of corporate issuers.

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, 2019, Hedged ETF Units returned 7.5%. The Fund's net assets were $39.1MM as at December 31, 2019.

Portfolio Manager Commentary

Central Bank rhetoric continued to be dovish in the summer, and the US Federal Reserve cut the target rate by 25bps on the last day of the month – not as much as some had hoped, but also leaving the door open for further easing. Interest rates in the belly of the US curve rose, while the European curve flattened as long term growth and inflation expectations continued to diminish.

By region, the US outperformed in spread terms early in the year, while falling rates in the Eurozone delivered the comparative advantage in total return. Sterling spreads widened as the prognosis for Brexit turned increasingly negative, which was offset by sharply falling GBP rates.

Financials, particularly long dated insurance issues, delivered the greatest share of returns, although we also had positive contributions from Industrials and Utilities. Our holdings in treasury futures were a slight drag as rates rose.

It became clear in the summer that with supportive central banks over the next couple of years, the looming recession many believed was imminent has been postponed, and that downgrades and default rates are likely to stay low.

We do note however that there is massive variance in the performance of businesses. Generically the consumer-driven sectors appear resilient, especially in the US, while cyclicals are suffering. Moreover, our economists are also seeing variances in global growth, with Europe underperforming the US or Emerging Markets.

For the second half of the year, active selection in securities and sectors was key, as was interpretation of central bank signals.

August proved a volatile month for markets with sentiment swinging sharply on central bank dovishness (positive) and continuing trade war threats (negative). Equities fluctuated but ultimately finished slightly down. Government bonds performed strongly, with US 10-year Treasury yields breaching the key support level of 1.50% and German bund yields plumbing new all-time, negative, lows. Credit performance was mixed with higher-rated issues substantially outperforming lower-rated ones, in both spread and total return terms.

In this strong environment for fixed income, the Fund produced another month of attractive returns with the portfolio’s carry and composition offsetting a widening spread environment. Financials were the strongest performing segment, and our treasury futures hedge was also a positive contributor.

Our limited exposure in CCCs was beneficial, as was the lack of exposure in Argentina, which saw its bond markets collapse after a poor poll result for the incumbent government.

September was another positive month for the credit markets overall, albeit with some conflicting forces at play. While the US Federal Reserve did cut rates as anticipated - by 25bps - longer dated government yields rose for the first half of the month before retracing some of the widening. In the Eurozone, the ECB also announced a rate cut - 10bps to 50bps - as well as a resumption of bond purchases. In a similar fashion, longer dated yields rose before falling back to finish higher overall.

October was likewise a positive month overall for credit markets. Short end government rates fell as the US Federal Reserve eased policy for the third time this year, however longer rates rose slightly on guidance that there would be no further cuts unless the economic data worsened materially. In the Eurozone, core rates rose from deeply negative levels, with longer maturities underperforming. Credit spreads had a mixed performance with Investment Grade and BB-rated issues tightening, while B- and CCC-rated issues widened. Sterling assets performed very strongly as Brexit was postponed again and a fresh election was announced.

Global credit had a reasonable December with investment grade returning 10bp in GBP hedged terms, with a 10bp in spread tightening being offset by a sell-off in treasuries. After eleven months of caution, there was a risk grab and flowing with the tide of improving sentiment, performance increased with the riskiness of the segment: Investment grade corporates tightened by 10bps, while global high yield tightened 38bps, with CCCs rallying strongly. All in all, the Fund produced a strong positive return in December to carry us into 2020.

Looking forward to what 2020 holds, expect a weaker but still supportive outlook for global credit, translating into a moderate increase in defaults. The performance of credit asset classes will be driven by low rates and the strength of the consumers offset by slowing (but adequate) economic growth, deteriorating profitability and high debt in some sectors as well as political uncertainties, particularly around the impact of growing trade protectionism.

We are more cautious on investment grade corporate earnings growth for 2020 relative to market expectations, given subdued global growth and persistently higher input costs.

In high yield, while we expect defaults to increase in number, these should largely be in smaller and lower-rated companies.

Given our base outlook and a broadly stable rates environment, we believe that credit returns are likely to be lower than index yield before any alpha.

Recent Developments

Subsequent to year end, COVID-19 became a global pandemic and resulted unprecedented actions by governments around the world to curtail the spread of the disease. These events have resulted in a high level of uncertainty and volatility in the financial markets and have had an enormous impact on businesses and consumers in all sectors. The duration and impact of these developments is unknown at this time and as such, the financial impact to investments cannot be estimated.

Related Party Transactions

Manager complies with its current policy and procedures regarding investments in related issuers and reports periodically to the Investment Review Committee.

Management Fees

The Manager is entitled to an annual management fee of 0.65% of the net asset value of the Hedged ETF Units and the Hedged Class F mutual fund units and 1.40% of the net asset value of the Hedged Class F mutual fund units of the Fund, accrued daily and are generally paid monthly in arrears. For the year ended December 31, 2019, the Fund incurred $184,255 in management fees. These management fees were received by Evolve Funds Group Inc. 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, 2019, the Fund incurred $42,537 in administration fees. These administration fees were received by Evolve Funds Group Inc. 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 that class.

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, 2019 ($)**	December 31, 2018 ($)
Hedged Units - Net Assets per Unit		
Net Assets per Unit, beginning of period	**49.22**	50.00
Increase (decrease) from operations:		
Total revenue	**1.93**	0.24
Total expenses	**(0.50)**	(0.06)
Realized gains (losses)	**0.64**	-
Unrealized gains (losses)	**0.97**	(0.83)
Total increase (decrease) from operations[2]	**3.04**	**(0.65)**
Distributions:		
From income (excluding dividends)	**(1.50)**	(0.13)
Total annual distributions[3]	**(1.50)**	**(0.13)**
Net Assets per Unit, end of period	**51.36**	**49.22**
Hedged Class A - Net Assets per Unit		
Net Assets per Unit, beginning of period[4]	**50.00**	N/A
Increase (decrease) from operations:		
Total revenue	**1.31**	N/A
Total expenses	**(0.66)**	N/A
Realized gains (losses)	**(0.69)**	N/A
Unrealized gains (losses)	**1.53**	N/A
Total increase (decrease) from operations[2]	**1.49**	**N/A**
Distributions:		
From income (excluding dividends)	**(1.00)**	N/A
Total annual distributions[3]	**(1.00)**	**N/A**
Net Assets per Unit, end of period	**50.46**	**N/A**
Hedged Class F - Net Assets per Unit		
Net Assets per Unit, beginning of period[4]	**50.00**	N/A
Increase (decrease) from operations:		
Total revenue	**1.31**	N/A
Total expenses	**(0.27)**	N/A
Realized gains (losses)	**0.26**	N/A
Unrealized gains (losses)	**0.55**	N/A
Total increase (decrease) from operations[2]	**1.85**	**N/A**
Distributions:		
From income (excluding dividends)	**(0.50)**	N/A
Total annual distributions[3]	**(0.50)**	**N/A**
Net Assets per Unit, end of period	**51.61**	**N/A**

1 This information is derived from the Fund's audited annual financial statements as at December 31, 2019 and 2018. The Hedged ETF Units began operations on November 14, 2018 and the Hedged Class A and F mutual fund units began operations on April 23, 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 This amount represents the initial launch price.

The Fund's Ratios/Supplemental Data

For the periods ended:	**December 31, 2019**	December 31, 2018
Hedged Units - Ratios/Supplemental Data		
Total Net Asset Value ($)[5]	**39,063,215**	9,843,937
Number of units outstanding[5]	**760,505**	200,000
Management expense ratio[6]	**0.90%**	0.92%
Trading expense ratio[7]	**0.06%**	0.00%
Portfolio turnover rate[8]	**57.54%**	5.58%
Net Asset Value per unit ($)	**51.36**	49.22
Closing market price ($)	**51.29**	49.28
Hedged Class A - Ratios/Supplemental Data		
Total Net Asset Value ($)[5]	**6,628**	N/A
Number of units outstanding[5]	**131**	N/A
Management expense ratio[6]	**1.84%**	N/A
Trading expense ratio[7]	**0.06%**	N/A
Portfolio turnover rate[8]	**57.54%**	N/A
Net Asset Value per unit ($)	**50.46**	N/A
Hedged Class F - Ratios/Supplemental Data		
Total Net Asset Value ($)[5]	**5,147**	N/A
Number of units outstanding[5]	**100**	N/A
Management expense ratio[6]	**0.85%**	N/A
Trading expense ratio[7]	**0.06%**	N/A
Portfolio turnover rate[8]	**57.54%**	N/A
Net Asset Value per unit ($)	**51.61**	N/A

5 This information is provided as at December 31, 2019 and 2018.

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.

Since the Hedged Class A and F mutual fund units with inception date April 23, 2019, has been in operation for less than one year, providing performance data for the period is not permitted.

Year-by-Year Returns

The bar chart below shows the Hedged ETF Units' annual performance for the periods shown. The chart shows, in percentage terms, how much an investment made in the Fund on the first day would have grown or decreased by the last day of the period.

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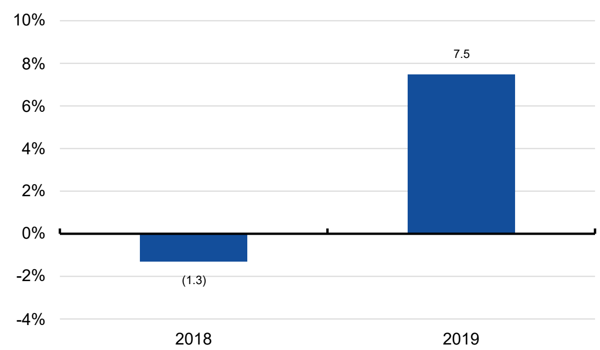
EARN Hedged ETF Units[1]



1 The Hedged ETF Units effectively began operations on November 14, 2018.

Annual Compound Return

The table shows the historical annual compound total return of the Hedged ETF Units is listed below. The returns are for period ended December 31, 2019. As a basis of comparison, we have provided the performance of ICE BofA 1-5 Year Global Corporate Index (100% CAD Hedged) ("Index"). As the criteria for determining the constituents of the Fund and the Index differ, it is not expected that the Fund's performance will mirror that of the Index. Further, the return of the Index is calculated without the deduction of management fees and fund expenses whereas the performance of the Fund is calculated after deducting such fees and expenses.

	Since Inception[1] (%)	1 Year (%)
Hedged ETF Units	5.4	7.5
ICE BofA 1-5 Year Global Corporate Index (100% CAD Hedged)	5.6	5.9

1 From inception date of November 14, 2018.

Summary of Investment Portfolio

Top 25 Positions

Security	Percentage of Net Asset Value (%)
United States Treasury Bill	6.7
Phoenix Group Holdings	1.8
BPCE SA	1.3
Credit Agricole Assurances SA, Variable, Callable, Perpetual	1.3
NN Group NV, Variable, Callable, Perpetual	1.3
Arrow CMBS, Series '2018-1', Class 'A1', Floating Rate	1.2
Voya Financial Inc., Variable, Callable	1.2
Votorantim Cimentos International SA	1.2
eircom Finance DAC, Callable	1.2
BAWAG Group AG, Variable, Callable	1.2
Selecta Group BV, Callable	1.2
Altice France SA, Callable	1.1
FCT Credit Agricole Habitat, Series '2018-1', Class 'A', Floating Rate, Callable	1.1
Navient Corporation	1.1

Top 25 Positions (cont'd)

Security	Percentage of Net Asset Value (%)
ELM BV for Helvetia Schweizerische Versicherungsgesellschaft AG, Variable, Callable	1.1
Tenet Healthcare Corporation, Callable	1.0
Encompass Health Corporation, Callable	1.0
Paragon Mortgages PLC, Series '25', Class 'A', Floating Rate, Callable	1.0
Arcelik AS	1.0
RSA Insurance Group PLC, Variable, Callable	1.0
Society of Lloyd's	1.0
Nexi SpA	1.0
Seagate HDD Cayman, Callable	1.0
Santander UK Group Holdings PLC, Floating Rate	0.9
Petrobras Global Finance BV	0.9
Total	**33.8**

Industry Allocation

Portfolio by Category	Percentage of Net Asset Value (%)
Debt Instruments	
Asset-Backed Securities	5.4
Communication Services	10.4
Consumer Discretionary	6.4
Consumer Staples	1.8
Energy	8.3
Financials	31.9
Health Care	6.8
Industrials	6.9
Information Technology	4.0
Materials	3.3
Real Estate	0.9
Utilities	3.8
Short-Term Investments	6.7
Derivative Assets	1.5
Derivative Liabilities	(0.1)
Cash and Cash Equivalents	1.3
Other Assets, less Liabilities	0.7
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.

Evolve ETFs

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