Evolve Enhanced Yield Bond 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 Evolve Enhanced Yield Bond Fund (the "Fund") seeks to provide Unitholders with attractive monthly income and long-term capital appreciation by investing primarily in fixed income ETFs or fixed income securities issued in either the United States or Canada. To enhance yield, as well as to mitigate risk and reduce volatility, the Fund will employ a covered call option writing program at the discretion of the Manager. The level of covered call option writing may vary based on market volatility and other factors.

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 -6.9%. The Hedged Class A Mutual Fund Units returned -7.7% and the Hedged Class F Mutual Fund Units returned -6.9%. Since the Unhedged and US Dollar Unhedged ETF Units of the Fund effectively began operations on February 15, 2024, no performance data can be shown. The Fund's net assets were $277.8MM as at December 31, 2024.

For the period ended December 31, 2024, the Fund generated an increase (decrease) in net assets attributable to holders of redeemable units from operations of ($6,690,521). This compares to $1,899,881 for the period ended December 31, 2023. The Fund distributed $21,779,793 to unitholders during the year (2023 - $440,284). The decision to make distributions exceeding earnings was made by Evolve Funds Group Inc. (the "Manager"), due to the following factors:

The Funds' Declaration of Trust requires that sufficient amounts be paid or made payable each year so that the Funds are not liable for any non-refundable income tax under Part I of the Tax Act.

Amounts included in the calculation of the Fund's net income and net realized capital gains for a taxation year may encompass amounts that have not yet been received by the Fund.

The Manager believes that maintaining regular and stable distributions is vital to meet unitholder expectations and retain investor confidence. Consequently, distribution rates are only adjusted in response to material changes.

The Manager believes that a full business cycle is required for a comprehensive evaluation of results.

The Manager holds a strong conviction in the Fund's investment objective and its future growth prospects.

Portfolio Manager Commentary

In 2024, the US Treasury market faced significant volatility, with longer-term Treasuries, such as the 20-year bond, at the center of market fluctuations. Early in the year, expectations of Federal Reserve (Fed) rate cuts spurred a rally in Treasury prices, including the 20-year note, as investors sought to position themselves ahead of a potential easing cycle.

In September, the Fed implemented a 50 basis point cut to the overnight rate, a well anticipated move that was widely priced into the market prior to the announcement[1]. While this initially bolstered the 20-year Treasury, the rally stalled following the decision, as traders shifted their focus to future monetary policy direction.

The US election in November added further uncertainty to the Treasury market. Donald Trump's victory, coupled with his historically protectionist policy stance, raised concerns among some analysts about potential inflationary pressures. This speculation caused Treasury prices to drop as markets anticipated a pause or even a reversal in the Fed's rate-cutting cycle. However, the election-driven volatility proved temporary, with markets stabilizing in the following weeks.

At the Fed's December meeting, Chair Jerome Powell announced a scaled-back rate-cutting agenda for 2025, reducing expectations from four rate cuts to two[2]. This revision pushed Treasury yields higher as investors reevaluated their outlook for 2025.

Overall, the 20-year Treasury market in 2024 reflected the complex interplay of monetary policy expectations, geopolitical events, and market sentiment. Early optimism tied to anticipated rate cuts gave way to periods of uncertainty driven by political outcomes and shifting Fed guidance.

(1) https://www.cnbc.com/2024/09/18/fed-cuts-rates-september-2024-.html

(2) https://finance.yahoo.com/news/us-yield-curve-steepest-since-161334373.html

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

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 0.45% of the net asset value of the Hedged, Unhedged, and US Dollar Unhedged ETF Units and the Hedged Class F Mutual Fund Units of the Fund, accrued daily and generally paid monthly in arrears. The Manager is entitled to an annual management fee of 1.20% of the net asset value of the Hedged Class A Mutual Fund Units of the Fund, accrued daily and generally paid monthly in arrears. Since the Fund's inception, the Manager has waived the management fee on the Hedged, Unhedged, and US Dollar Unhedged ETF Units and the Hedged Class F Mutual Fund Units of the Fund until March 31, 2024. The Manager has reduced the management fee on the Hedged Class A Mutual Fund Units of the Fund to the amount of the trailing commission payable to a Unitholder's dealer until March 31, 2024. The effective annual management fee for the Hedged Class A Mutual Fund Units is 0.75%. For the year ended December 31, 2024, the Fund incurred $893,535 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 $315,857 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 Unit[1]

For the periods ended:	**December 31, 2024 ($)**	December 31, 2023 ($)
Unhedged ETF Units - Net Assets per Unit		
Net Assets per Unit, beginning of period[2]	**21.23**	20.00
Increase (decrease) from operations:		
Total revenue	**0.79**	-
Total expenses	**(0.28)**	-
Realized gains (losses)	**0.58**	-
Unrealized gains (losses)	**(0.62)**	-
Total increase (decrease) from operations[3]	**0.47**	**-**
Distributions:		
From dividends	**(0.43)**	-
From capital gains	**(0.02)**	-
Return of capital	**(1.64)**	-
Total annual distributions[4]	**(2.09)**	**-**
Net Assets per Unit, end of period	**20.12**	**20.00**
Hedged ETF Units - Net Assets per Unit		
Net Assets per Unit, beginning of period	**22.27**	20.00
Increase (decrease) from operations:		
Total revenue	**0.90**	0.21
Total expenses	**(0.30)**	(0.06)
Realized gains (losses)	**(1.45)**	1.00
Unrealized gains (losses)	**(0.78)**	1.94
Total increase (decrease) from operations[3]	**(1.63)**	**3.09**
Distributions:		
From dividends	**(0.53)**	(0.12)
From capital gains	**(0.02)**	(0.25)
Return of capital	**(1.73)**	(0.18)
Total annual distributions[4]	**(2.28)**	**(0.55)**
Net Assets per Unit, end of period	**18.54**	**22.27**
US Dollar Unhedged ETF Units - Net Assets per Unit[5]		
Net Assets per Unit, beginning of period[2]	**28.75**	27.00
Increase (decrease) from operations:		
Total revenue	**1.08**	-
Total expenses	**(0.37)**	-
Realized gains (losses)	**0.65**	-
Unrealized gains (losses)	**0.01**	-
Total increase (decrease) from operations[3]	**1.37**	**-**
Distributions:		
From dividends	**(0.65)**	-
From capital gains	**(0.03)**	-
Return of capital	**(2.20)**	-
Total annual distributions[4]	**(2.88)**	**-**
Net Assets per Unit, end of period	**27.21**	**27.00**

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

For the periods ended:	December 31, 2024 ($)	December 31, 2023 ($)
Hedged Class A - Net Assets per Unit		
Net Assets per Unit, beginning of period	**21.95**	20.00
Increase (decrease) from operations:		
Total revenue	**0.89**	0.22
Total expenses	**(0.47)**	(0.10)
Realized gains (losses)	**(1.43)**	0.87
Unrealized gains (losses)	**(0.92)**	1.69
Total increase (decrease) from operations[3]	**(1.93)**	**2.68**
Distributions:		
From dividends	**(0.41)**	(0.12)
From capital gains	**(0.03)**	-
Return of capital	**(1.85)**	(0.25)
Total annual distributions[4]	**(2.29)**	**(0.37)**
Net Assets per Unit, end of period	**18.09**	**21.95**
Hedged Class F - Net Assets per Unit		
Net Assets per Unit, beginning of period	**21.97**	20.00
Increase (decrease) from operations:		
Total revenue	**0.84**	0.20
Total expenses	**(0.28)**	(0.05)
Realized gains (losses)	**(1.14)**	1.10
Unrealized gains (losses)	**(0.73)**	1.70
Total increase (decrease) from operations[3]	**(1.31)**	**2.95**
Distributions:		
From dividends	**(0.90)**	(0.10)
From capital gains	**(0.02)**	-
Return of capital	**(1.36)**	(0.27)
Total annual distributions[4]	**(2.28)**	**(0.37)**
Net Assets per Unit, end of period	**18.26**	**21.97**

1 This information is derived from the Fund's audited annual financial statements as at December 31, 2024 and 2023. The Hedged ETF Units effectively began operations on October 3, 2023. The Hedged Class A and F Mutual Fund Units effectively began operations on October 14, 2023. The Unhedged and US Dollar Unhedged ETF Units effectively began operations on February 15, 2024.
2 This amount represents the initial launch price.
3 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.
4 Distributions were paid in cash or reinvested in additional units of the Fund, or both. Actual distributions may vary slightly owing to rounding.
5 Per unit figures are stated in CAD equivalent.

The Fund's Ratios/Supplemental Data

For the periods ended:	December 31, 2024	December 31, 2023
Unhedged ETF Units - Ratios/Supplemental Data		
Total Net Asset Value ($)[6]	**30,180,985**	20
Number of units outstanding[6]	**1,500,000**	1
Management expense ratio excluding proportion of expenses from underlying investment funds[7]	**0.66%**	N/A
Management expense ratio[8,11,12]	**0.76%**	N/A
Trading expense ratio[9]	**0.20%**	N/A
Portfolio turnover rate[10]	**69.36%**	N/A
Net Asset Value per unit ($)	**20.12**	20.00
Closing market price ($)	**20.12**	N/A

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

For the periods ended:	**December 31, 2024**	December 31, 2023
Hedged ETF Units - Ratios/Supplemental Data		
Total Net Asset Value ($)[6]	**171,934,102**	17,257,507
Number of units outstanding[6]	**9,275,000**	775,000
Management expense ratio excluding proportion of expenses from underlying investment funds[7]	**0.64%**	0.17%
Management expense ratio[8,11,12]	**0.74%**	0.27%
Trading expense ratio[9]	**0.20%**	0.35%
Portfolio turnover rate[10]	**69.36%**	53.45%
Net Asset Value per unit ($)	**18.54**	22.27
Closing market price ($)	**18.55**	22.31
US Dollar Unhedged ETF Units - Ratios/Supplemental Data		
Total Net Asset Value ($)[6]	**47,614,333**	27
Number of units outstanding[6]	**1,750,000**	1
Management expense ratio excluding proportion of expenses from underlying investment funds[7]	**0.64%**	N/A
Management expense ratio[8,11,12]	**0.74%**	N/A
Trading expense ratio[9]	**0.20%**	N/A
Portfolio turnover rate[10]	**69.36%**	N/A
Net Asset Value per unit ($)	**27.21**	27.00
Closing market price ($)	**27.21**	N/A
Hedged Class A - Ratios/Supplemental Data		
Total Net Asset Value ($)[6]	**6,209,313**	790,468
Number of units outstanding[6]	**343,289**	36,009
Management expense ratio excluding proportion of expenses from underlying investment funds[7]	**1.49%**	0.97%
Management expense ratio[8,11,12]	**1.59%**	1.08%
Trading expense ratio[9]	**0.20%**	0.35%
Portfolio turnover rate[10]	**69.36%**	53.45%
Net Asset Value per unit ($)	**18.09**	21.95

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

For the periods ended:	**December 31, 2024**	December 31, 2023
Hedged Class F - Ratios/Supplemental Data		
Total Net Asset Value ($)[6]	**21,871,965**	11,978,628
Number of units outstanding[6]	**1,197,736**	545,304
Management expense ratio excluding proportion of expenses from underlying investment funds[7]	**0.58%**	0.16%
Management expense ratio[8,11,12]	**0.68%**	0.27%
Trading expense ratio[9]	**0.20%**	0.35%
Portfolio turnover rate[10]	**69.36%**	53.45%
Net Asset Value per unit ($)	**18.26**	21.97

6 This information is provided as at December 31, 2024 and 2023.
7 Management expense ratio excluding proportion of expenses from underlying investment funds 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 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.
9 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.
10 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.
11 The Fund's MER includes an estimated proportion of the MER for any underlying investment funds held in the Fund's portfolio during the period.
12 Since the Fund's inception, the Manager has waived the management fee on the Hedged, Unhedged, and US Dollar Unhedged ETF Units and the Hedged Class F Mutual Fund Units of the Fund until March 31, 2024. The Manager has reduced the management fee on the Hedged Class A Mutual Fund Units of the Fund to the amount of the trailing commission payable to a Unitholder's dealer until March 31, 2024. The effective annual management fee for the Hedged Class A Mutual Fund Units is 0.75%.

Past Performance

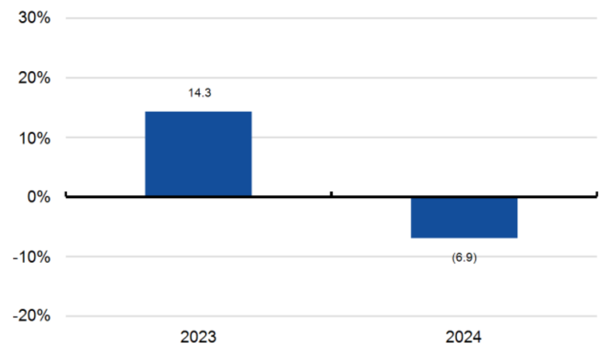
The performance information does not take into account sales, redemption, distribution, income taxes payable by any unitholder or other optional charges that, if applicable, would have reduced returns or performance. The performance information shown assumes that all distributions made by the investment 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 Unhedged and US Dollar Unhedged ETF Units of the Fund are reporting issuers for less than one year, with inception date February 15, 2024, providing performance data for the period is not permitted.

Year-by-Year Returns

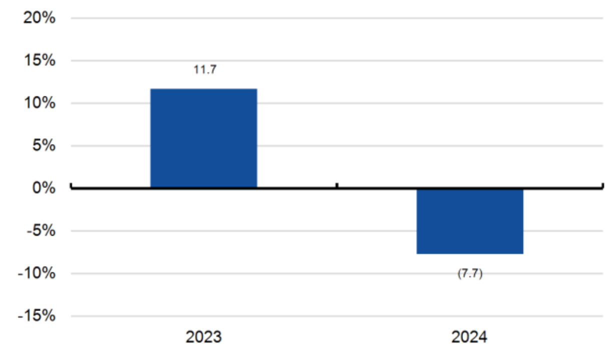
The bar chart below shows the Hedged ETF Units' and the Hedged Class A and F Mutual Fund Units' performance for each of the financial years shown. The chart shows, in percentage terms, how much an investment made in the Fund on the first day of each financial period would have grown or decreased by the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

BOND Hedged ETF Units[1]



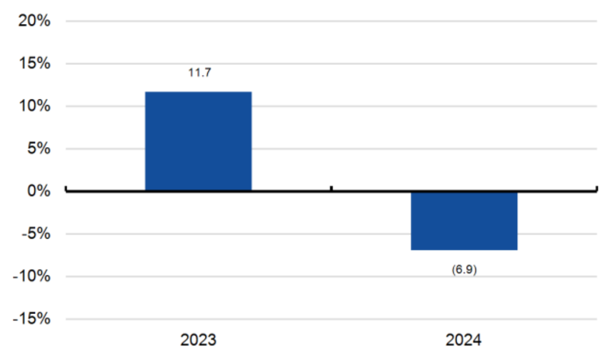
1 The Hedged ETF Units of the Fund effectively began operations October 3, 2023.

Hedged Class A Mutual Fund Units[2]



2 The Hedged Class A Mutual Fund Units of the Fund effectively began operations on October 14, 2023.

Hedged Class F Mutual Fund Units[3]



3 The Hedged Class F Mutual Fund Units of the Fund effectively began operations on October 14, 2023.

Annual Compound Return

The table below shows the historical annual compound total return of the Hedged ETF Units and the Hedged Class A and F Mutual Fund Units. The returns are for the period ended December 31, 2024. As a basis of comparison, we have provided the performance of Cboe TLT 2% OTM BuyWrite Index (the "Index"). The difference in performance of the Hedged ETF Units, and the Hedged Class A and F Mutual Fund Units relative to the Index can be attributed to the difference of criteria for determining the constituents of the Fund and the Index, it is not expected that the Fund's performance will mirror that of the Index. Additionally, 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. Furthermore, the difference in performance of the Hedged ETF Units and the Hedged Class A and F Mutual Fund Units relative to the Index can also be attributed to the implementation of the call writing strategy where the Fund tends to outperform in flat or down markets and underperform during sharp market advances. This performance difference can be seen over the period the calls are written, typically with one to two months to expiry, and then resets when new option positions are established.

	Since Inception[1] (%)	1 Year (%)
Hedged ETF Units	5.1	(6.9)
Cboe TLT 2% OTM BuyWrite Index[2]	4.2	(1.1)
Hedged Class A Mutual Fund Units	2.5	(7.7)
Cboe TLT 2% OTM BuyWrite Index[2]	3.1	(1.1)

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	Since Inception[1] (%)	1 Year (%)
Hedged Class F Mutual Fund Units	3.3	(6.9)
Cboe TLT 2% OTM BuyWrite Index[2]	3.1	(1.1)

1 From inception date of October 3, 2023 for the Hedged ETF Units, and from inception date October 14, 2023 for the Hedged Class A and F Mutual Fund Units.
2 The Index is designed to track the performance of a covered call strategy with a short iShares 20+ Year Treasury Bond ETF Call option expiring monthly.

Summary of Investment Portfolio

All Positions

Security	Percentage of Net Asset Value (%)
iShares 20+ Year Treasury Bond ETF	60.4
Vanguard Long-Term Treasury ETF	40.4
Total	**100.8**

Industry Allocation

Portfolio by Category	Percentage of Net Asset Value (%)
Equities	
ETFs - United States Fixed Income	100.8
Derivative Assets	0.0
Derivative Liabilities	(0.0)
Cash and Cash Equivalents	0.2
Other Assets, less Liabilities	(1.0)
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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