Evolve Active Canadian Preferred Share Fund

June 30, 2026

Interim Management Report of Fund Performance

This interim management report of fund performance contains financial highlights but does not contain the complete interim financial statements of the investment fund. You can get a copy of the interim 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 Active Canadian Preferred Share Fund (the “Fund”) seeks to provide holders of Units with stable income and long term capital appreciation by investing primarily in a diversified mix of preferred shares of primarily Canadian issuers, in addition to U.S. and international 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 six-month period ended June 30, 2026, Unhedged ETF Units returned 4.2%. The Unhedged Class A Mutual Fund Units returned 4.6% and the Unhedged Class F Mutual Fund Units returned 4.2%. The Fund's net assets were $28.5MM as at June 30, 2026.

Portfolio Manager Commentary

During the first half of 2026, the Canadian preferred share market faced heightened geopolitical tensions and shifting interest rate expectations. The market started the year on a resilient footing, moving steadily higher through the first two months as the redemption theme remained alive and well. The tone shifted to risk-off in March as conflict in Iran escalated, and preferred shares retreated in concert with the broader markets. As yields rose rapidly in the month, the perpetual structure declined the most while the fixed reset structure outperformed as investors priced potential higher coupons on future reset dates.

The closure of the Hormuz Strait represented the largest disruption to energy flows in history, with approximately 20% of global oil supply interrupted. Bond markets quickly priced out expectations of future rate cuts, pressuring yields on short term maturities higher. Central banks on both sides of the border, faced with complicating factors first from tariff announcements and then from the military campaign, held rates steady citing heightened risks to the economic outlook.

Markets recovered in the spring as equity markets looked through the rise in oil prices. Fixed reset, perpetual and floating structures all performed well late in the period, with many individual listings reaching their scheduled 5-year adjustment intervals resetting their coupon rates significantly higher relative to five years ago. Constrained supply and an overall positive risk tone added to the performance of the asset class, while corporate credit spreads continued to compress on strong investor appetite.

The Fund's fixed income LRCN structures and institutional preferred share holdings were more resilient than the retail preferred share market through the volatility, and the underweight in the perpetual structure also added value.

Looking forward, technical headwinds remain, with the redemption picture uncertain and not many clear candidates for redemptions on the docket. New uncertainties for growth and inflation have emerged with the conflict in the Middle East, creating a higher threshold for the Bank of Canada to cut its policy rate. The asset class is expected to remain highly correlated to similar higher-risk fixed income assets and the movement of credit spreads, with the portfolio positioned toward structures that benefit from higher yields, such as floating and fixed reset preferred.

Source: Addenda Capital

Recent Developments

In 2026, global financial markets have continued to navigate an environment characterized by elevated geopolitical risk, evolving trade policy, and shifting expectations for monetary policy. The ongoing military conflict between the United States and Iran has heightened geopolitical uncertainty, disrupting energy supplies and shipping routes and contributing to significant volatility in commodity and financial markets. At the same time, trade measures and related negotiations among major economies remain subject to change in scope and duration, while central banks continue to weigh inflation dynamics against the need to support economic growth. Together, these developments have contributed to periodic volatility across asset classes, particularly in sectors sensitive to energy prices, interest rates, currency movements, and global supply chains. The ultimate course and impact of these developments remain uncertain, and accordingly, the potential financial implications for investments cannot be reliably determined 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 0.65% of the net asset value of the Unhedged ETF Units and the Unhedged Class F Mutual Fund Units and 1.40% of the net asset value of the Unhedged Class A Mutual Fund Units of the Fund, accrued daily and generally paid monthly in arrears. For the six-month period ended June 30, 2026, the Fund incurred $107,618 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 six-month period ended June 30, 2026, the Fund incurred $24,835 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 Active Canadian Preferred Share 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:	**June 30, 2026 ($)**	December 31, 2025 ($)	December 31, 2024 ($)	December 31, 2023 ($)	December 31, 2022 ($)	December 31, 2021 ($)
Unhedged ETF Units - Net Assets per Unit						
Net Assets per Unit, beginning of period	**17.62**	16.29	14.33	14.39	17.93	15.68
Increase (decrease) from operations:						
Total revenue	**0.52**	1.02	0.98	0.89	0.81	0.83
Total expenses	**(0.09)**	(0.17)	(0.14)	(0.14)	(0.16)	(0.17)
Realized gains (losses)	**0.36**	0.84	0.19	(0.59)	0.01	0.82
Unrealized gains (losses)	**(0.06)**	0.55	1.82	0.55	(3.52)	1.61
Total increase (decrease) from operations[2]	**0.73**	**2.24**	**2.85**	**0.71**	**(2.86)**	**3.09**
Distributions:						
From income (excluding dividends)	**(0.45)**	(0.11)	(0.24)	(0.10)	-	-
From dividends	**-**	(0.83)	(0.62)	(0.67)	(0.70)	(0.62)
Return of capital	**-**	-	-	(0.07)	(0.14)	(0.22)
Total annual distributions[3]	**(0.45)**	**(0.94)**	**(0.86)**	**(0.84)**	**(0.84)**	**(0.84)**
Net Assets per Unit, end of period	**17.90**	**17.62**	**16.29**	**14.33**	**14.39**	**17.93**
Unhedged Class A - Net Assets per Unit						
Net Assets per Unit, beginning of period	**19.90**	18.69	16.42	16.50	20.59	18.04
Increase (decrease) from operations:						
Total revenue	**0.59**	1.14	1.12	1.02	0.91	0.97
Total expenses	**-**	(0.37)	(0.29)	(0.29)	(0.33)	(0.36)
Realized gains (losses)	**0.40**	1.16	0.23	(0.62)	0.17	0.92
Unrealized gains (losses)	**(0.08)**	(0.21)	2.13	0.13	(4.07)	1.63
Total increase (decrease) from operations[2]	**0.91**	**1.72**	**3.19**	**0.24**	**(3.32)**	**3.16**
Distributions:						
From income (excluding dividends)	**-**	(0.07)	(0.17)	(0.06)	-	-
From dividends	**-**	(0.56)	(0.45)	(0.37)	(0.65)	(0.59)
Return of capital	**-**	-	(0.22)	(0.41)	(0.19)	(0.25)
Total annual distributions[3]	**-**	**(0.63)**	**(0.84)**	**(0.84)**	**(0.84)**	**(0.84)**
Net Assets per Unit, end of period	**20.63**	**19.90**	**18.69**	**16.42**	**16.50**	**20.59**

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

For the periods ended:	**June 30, 2026 ($)**	December 31, 2025 ($)	December 31, 2024 ($)	December 31, 2023 ($)	December 31, 2022 ($)	December 31, 2021 ($)
Unhedged Class F - Net Assets per Unit						
Net Assets per Unit, beginning of period	**23.66**	21.73	18.85	18.69	23.01	20.06
Increase (decrease) from operations:						
Total revenue	**0.70**	1.39	1.20	1.08	0.97	1.02
Total expenses	**(0.11)**	(0.11)	(0.20)	(0.18)	(0.19)	(0.22)
Realized gains (losses)	**0.48**	1.22	0.21	(0.42)	(0.65)	0.99
Unrealized gains (losses)	**(0.12)**	1.09	3.16	(2.43)	(0.50)	0.64
Total increase (decrease) from operations[2]	**0.95**	**3.59**	**4.37**	**(1.95)**	**(0.37)**	**2.43**
Distributions:						
From income (excluding dividends)	**(0.45)**	(0.13)	(0.20)	-	-	-
From dividends	**-**	(1.04)	(0.53)	-	(0.64)	(0.62)
Return of capital	**-**	-	(0.11)	(0.84)	(0.20)	(0.08)
Total annual distributions[3]	**(0.45)**	**(1.17)**	**(0.84)**	**(0.84)**	**(0.84)**	**(0.70)**
Net Assets per Unit, end of period	**24.21**	**23.66**	**21.73**	**18.85**	**18.69**	**23.01**

1 This information is derived from the Fund's unaudited interim financial statements as at June 30, 2026, and the audited annual financial statements as at December 31, 2025, 2024, 2023, 2022, and 2021. The Unhedged ETF Units effectively began operations on September 27, 2017, and the Unhedged Class A and F Mutual Fund Units effectively 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.

The Fund's Ratios/Supplemental Data

For the periods ended:	**June 30, 2026**	December 31, 2025	December 31, 2024	December 31, 2023	December 31, 2022	December 31, 2021
Unhedged ETF Units - Ratios/Supplemental Data						
Total Net Asset Value ($)[4]	**28,318,933**	32,275,241	49,391,117	53,839,585	74,555,334	150,341,987
Number of units outstanding[4]	**1,581,785**	1,831,785	3,031,785	3,756,785	5,181,785	8,382,800
Management expense ratio[5]	**0.90%**	0.89%	0.89%	0.91%	0.90%	0.89%
Trading expense ratio[6]	**0.09%**	0.11%	0.04%	0.05%	0.06%	0.08%
Portfolio turnover rate[7]	**7.32%**	47.55%	16.17%	10.75%	34.81%	44.91%
Net Asset Value per unit ($)	**17.90**	17.62	16.29	14.33	14.39	17.93
Closing market price ($)	**17.90**	17.70	16.19	14.24	14.38	17.86
Unhedged Class A - Ratios/Supplemental Data						
Total Net Asset Value ($)[4]	**28**	27	99,062	111,445	215,659	637,369
Number of units outstanding[4]	**1**	1	5,301	6,789	13,073	30,960
Management expense ratio[5]	**0.00%**	1.86%	1.57%	1.75%	1.71%	1.69%
Trading expense ratio[6]	**0.09%**	0.11%	0.04%	0.05%	0.06%	0.08%
Portfolio turnover rate[7]	**7.32%**	47.55%	16.17%	10.75%	34.81%	44.91%
Net Asset Value per unit ($)	**20.63**	19.90	18.69	16.42	16.50	20.59

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

For the periods ended:	**June 30, 2026**	December 31, 2025	December 31, 2024	December 31, 2023	December 31, 2022	December 31, 2021
Unhedged Class F - Ratios/Supplemental Data						
Total Net Asset Value ($)[4]	**210,607**	274,153	19,379	11,543	148,786	11,961
Number of units outstanding[4]	**8,701**	11,586	892	612	7,962	520
Management expense ratio[5]	**0.85%**	0.39%	0.93%	0.90%	0.88%	0.88%
Trading expense ratio[6]	**0.09%**	0.11%	0.04%	0.05%	0.06%	0.08%
Portfolio turnover rate[7]	**7.32%**	47.55%	16.17%	10.75%	34.81%	44.91%
Net Asset Value per unit ($)	**24.21**	23.66	21.73	18.85	18.69	23.01

4 This information is provided as at June 30, 2026, and December 31, 2025, 2024, 2023, 2022, and 2021.
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 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.

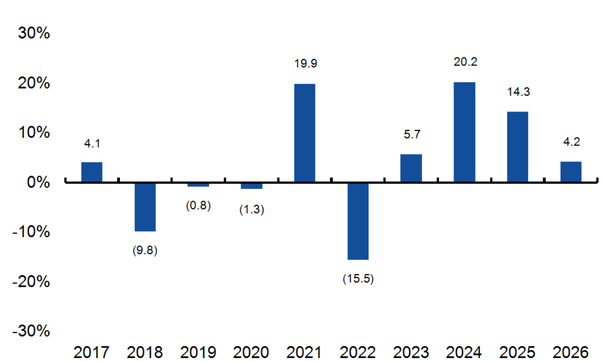
Past Performance

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.

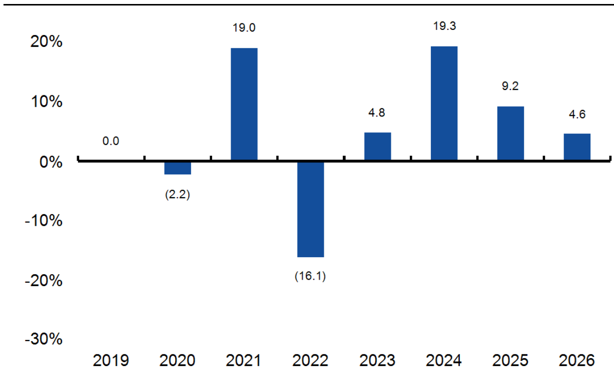
Year-by-Year Returns

The bar chart below shows the Unhedged ETF Units' and the Unhedged Class A and F Mutual Fund Units' performance for each of the financial years shown and for the six-month period ended June 30, 2026. 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.

DIVS Unhedged ETF Units[1]



Unhedged Class A Mutual Fund Units[2]



1 The Unhedged ETF Units of the Fund effectively began operations on September 27, 2017.

2 The Unhedged Class A Mutual Fund Units of the Fund effectively began operations on April 23, 2019.

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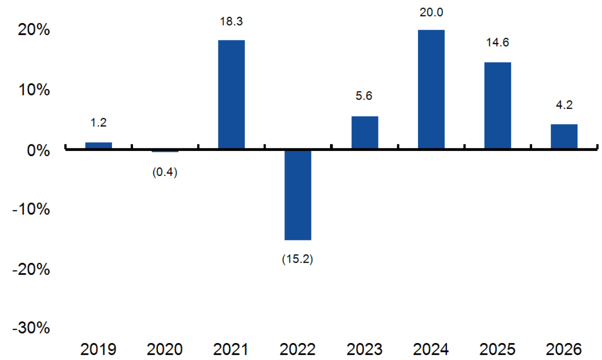
Unhedged Class F Mutual Fund Units[3]



3 The Unhedged Class F Mutual Fund Units of the Fund effectively began operations on April 23, 2019.

Summary of Investment Portfolio

Top 25 Positions

Security	Percentage of Net Asset Value (%)
Brookfield Corporation, Preferred, Series '32', Variable, Callable	5.5
Enbridge Inc., Preferred, Series '19', Variable, Callable, Perpetual	5.3
Fortis Inc., Preferred, Series 'M', Variable, Callable, Perpetual	4.1
Enbridge Inc., Preferred, Series '7', Variable, Callable, Perpetual	3.3
Pembina Pipeline Corporation, Preferred, Series '15', Variable, Callable, Perpetual	3.2
TC Energy Corporation, Preferred, Series '7', Variable, Callable, Perpetual	3.2
Power Corporation of Canada, Preferred, Series 'G', Callable, Perpetual	3.1
Coast Capital Savings Federal Credit Union, Variable, Callable	2.8
BCE Inc., Preferred, Series 'AA', Variable, Callable, Perpetual	2.7
Manulife Financial Corporation, Preferred, Series '11', Variable, Callable, Perpetual	2.6
TC Energy Corporation, Preferred, Series '1', Variable, Callable, Perpetual	2.5
Power Financial Corporation, Preferred, Series 'V', Callable, Perpetual	2.4
BCE Inc., Preferred, Series 'AF', Perpetual	2.4
Pembina Pipeline Corporation, Preferred, Series '25', Variable, Callable	2.3
Brookfield Renewable Power Preferred Equity Inc., Preferred, Series '5'	2.3
Intact Financial Corporation, Preferred, Series '13', Callable, Perpetual	2.0
Brookfield Renewable Partners Limited Partnership, Preferred, Series '13', Variable, Callable	1.9
Emera Inc., Preferred, Series 'A', Variable, Callable, Perpetual	1.7
Canadian Utilities Limited, Preferred, Perpetual	1.6
Great-West Lifeco Inc., Preferred, Series 'S', Callable, Perpetual	1.6
Brookfield Corporation, Preferred, Series '34', Variable, Callable	1.6
Power Corporation of Canada, Preferred, Series 'D', Callable, Perpetual	1.5
Enbridge Inc., Preferred, Series 'D', Variable, Callable, Perpetual	1.5
AltaGas Limited, Preferred, Series 'G', Variable, Callable, Perpetual	1.5
Brookfield Corporation, Preferred, Series '28', Variable, Callable	1.4
Total	**64.0**

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Industry Allocation

Portfolio by Category	Percentage of Net Asset Value (%)
Debt Instruments	
Financials	2.8
Equities	
Communication Services	7.4
Energy	30.7
Financials	37.8
Utilities	18.8
Cash and Cash Equivalents	2.6
Other Assets, less Liabilities	(0.1)
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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