

Evolve E-Gaming Index ETF

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 E-Gaming Index ETF (the "Fund") seeks to replicate, to the extent reasonably possible and before fees and expenses, the performance of the Solactive eGaming Index, or any successor thereto. The Fund primarily invests in equity securities of companies listed domestically and globally, and other issuers, with business activities in the gaming industry.

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, the Hedged ETF Units returned -16.4% versus the Solactive eGaming Index NTR (the "Index") return of -15.0%. The Fund's net assets were \$12.8MM as at June 30, 2026.

For the six-month period ended June 30, 2026, the Fund generated an increase (decrease) in net assets attributable to holders of redeemable units from operations of (\$2,699,695). This compares to \$4,640,392 for the year ended December 31, 2025. The Fund distributed \$35,000 to unitholders during the period (2025 - \$92,500). 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

Several developments shaped the e-gaming sector over the first half of 2026, spanning a maturing console hardware cycle, an anticipated release calendar led by major franchise titles, continued consolidation among publishers, and closer regulation of online gaming platforms.

The console hardware cycle continued to center on the Nintendo Switch 2. In early May, Nintendo reported that the console had surpassed its revised sales forecast, capping a first year on the market that ran ahead of expectations. For the coming fiscal year, Nintendo set a lower unit target, citing launch-year sales that were more concentrated than for previous hardware.¹

Grand Theft Auto VI remained the focal point of the sector's release calendar. After a series of earlier delays, Take-Two Interactive held its November 19, 2026, release date steady through the first half of the year, reaffirming it at both the February and May earnings updates.²

Consolidation remained a defining feature of the sector, most visibly in the pending acquisition of Electronic Arts. A consortium of the Public Investment Fund, Silver Lake and Affinity Partners had agreed to take the publisher private for roughly US\$55 billion. The deal had yet to close by mid-year, with a limited number of regulatory reviews still outstanding as of Early May. Over the same period, Electronic Arts closed a record fiscal year, led by the launch of Battlefield 6.³

Regulation of online gaming platforms came into sharper focus. Early in the year, Roblox restricted its chat feature to users who had completed a new age-verification check, part of a broader push on child safety that slowed new user growth. In early May, the company cut its full-year bookings guidance by almost US\$1 billion.⁴

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Looking ahead, the scheduled November release of Grand Theft Auto VI and the ongoing Nintendo Switch 2 hardware cycle remain in focus for the sector. The pending change of ownership at Electronic Arts and the effect of new age-verification requirements on platform engagement remain the principal swing factors through the remainder of 2026.

Performance Attribution

For the six-month period ending June 30, 2026, Take-Two Interactive Software Inc. made the biggest contribution to the Fund, followed by Electronic Arts Inc. By weight, the Fund's largest holdings were Take-Two Interactive Software Inc., NetEase Inc, and Electronic Arts Inc.

(1) <https://www.nintendolife.com/news/2026/05/switch-2-has-sold-just-shy-of-20-million-units-nintendo-lowers-fy27-forecast>

(2) <https://screenrant.com/gta-6-release-date-update-earnings-call-may-2026/>

(3) https://www.sec.gov/Archives/edgar/data/0000712515/000071251526000053/earningspressrelease2026_0.htm

(4) <https://www.cnbc.com/2026/05/01/roblox-rblx-stock-child-safety-earnings.html>

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 management fees are calculated based on 0.70% 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 \$54,556 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.

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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 \$11,691 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.

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

For the periods ended:	June 30, 2026 (\$)	December 31, 2025 (\$)	December 31, 2024 (\$)	December 31, 2023 (\$)	December 31, 2022 (\$)	December 31, 2021 (\$)
Hedged ETF Units - Net Assets per Unit						
Net Assets per Unit, beginning of period	43.97	35.23	28.64	24.21	34.66	37.14
Increase (decrease) from operations:						
Total revenue	0.31	0.52	0.31	0.32	0.36	0.35
Total expenses	(0.26)	(0.52)	(0.38)	(0.36)	(0.36)	(0.48)
Realized gains (losses)	0.78	7.92	(0.19)	(1.85)	(6.27)	1.82
Unrealized gains (losses)	(8.19)	1.80	6.88	6.71	(4.31)	(5.33)
Total increase (decrease) from operations²	(7.36)	9.72	6.62	4.82	(10.58)	(3.64)
Distributions:						
From income (excluding dividends)	(0.10)	-	-	-	-	-
From dividends	-	(0.07)	-	-	-	-
From capital gains	-	-	-	-	-	(0.16)
Return of capital	-	(0.13)	(0.20)	(0.20)	(0.20)	(0.04)
Total annual distributions³	(0.10)	(0.20)	(0.20)	(0.20)	(0.20)	(0.20)
Net Assets per Unit, end of period	36.67	43.97	35.23	28.64	24.21	34.66

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 Fund effectively began operations on June 13, 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.

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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
Hedged ETF Units - Ratios/Supplemental Data						
Total Net Asset Value (\$) ⁴	12,833,464	17,586,694	20,255,098	24,340,163	26,023,689	58,049,592
Number of units outstanding ⁴	350,000	400,000	575,000	850,000	1,075,000	1,675,000
Management expense ratio ⁵	0.94%	0.88%	0.89%	0.97%	0.94%	0.97%
Trading expense ratio ⁶	0.13%	0.19%	0.19%	0.17%	0.13%	0.17%
Portfolio turnover rate ⁷	24.60%	41.81%	31.14%	68.37%	48.23%	90.93%
Net Asset Value per unit (\$)	36.67	43.97	35.23	28.64	24.21	34.66
Closing market price (\$)	36.88	44.38	35.08	28.65	24.03	34.54

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.

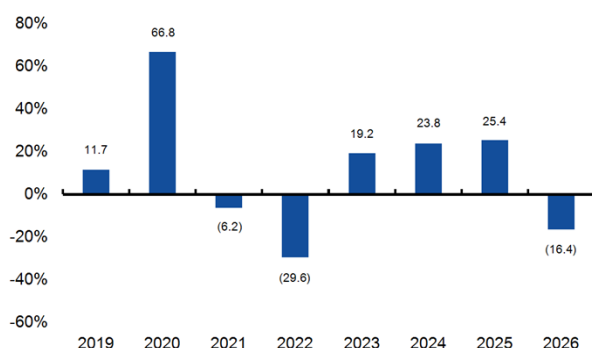
Past Performance

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 Hedged ETF 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.

HERO Hedged ETF Units¹



1 The Hedged ETF Units of the Fund effectively began operations on June 13, 2019.

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Summary of Investment Portfolio

Top 25 Positions

	Percentage of Net Asset Value (%)
Security	
Take-Two Interactive Software Inc.	13.0
NetEase Inc., ADR	11.4
Electronic Arts Inc.	10.2
Roblox Corporation, Class 'A'	10.1
Nintendo Company Limited, ADR	7.8
Konami Group Corporation	7.4
Nexon Company Limited	4.9
Capcom Company Limited	4.7
Krafton Inc.	3.3
International Games System Company Limited	3.3
CD Projekt SA	2.8
Square Enix Holdings Company Limited	2.6
Kingsoft Corporation Limited	1.8
NCSOFT Corporation	1.6
Koei Tecmo Holdings Company Limited	1.5
Sega Sammy Holdings Inc.	1.5
XD Inc.	1.3
Vivendi SE	1.2
Netmarble Corporation	0.9
Pearl Abyss Corporation	0.7
Modern Times Group MTG AB, Class 'B'	0.7
Paradox Interactive AB	0.7
Embracer Group AB, Class 'B'	0.7
Playtika Holding Corporation	0.6
SHIFT UP Corporation	0.6
Total	95.3

Industry Allocation

	Percentage of Net Asset Value (%)
Portfolio by Category	
Equities	
Communication Services	97.2
Consumer Discretionary	1.9
Information Technology	0.3
Derivative Assets	0.2
Derivative Liabilities	(0.1)
Cash and Cash Equivalents	0.3
Other Assets, less Liabilities	0.2
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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