Evolve Canadian Utilities Enhanced Yield Index 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 Canadian Utilities Enhanced Yield Index Fund (the "Fund") seeks to provide exposure to an equal weighted portfolio of primarily Canadian utilities services companies while generating enhanced income through a covered call strategy. The Fund aims to replicate, to the extent reasonably possible and before fees and expenses, up to a 1.25 times multiple of the performance of the Solactive Canada Utility Index, or a successor index. To enhance yield and manage risk, 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 conditions.

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 10.0% versus the Solactive Canada Utility Index (the “Index”) return of 10.3%. The Unhedged Class A Mutual Fund Units returned 9.4% and the Unhedged Class F Mutual Fund Units returned 10.0% versus the Index return of 10.3%. The Fund's net assets were $410.6MM 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 $30,631,839. This compares to $22,978,216 for the year ended December 31, 2025. The Fund distributed $32,070,801 to unitholders during the period (2025 - $28,356,737). 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.

Leverage

The table below shows the minimum and maximum leverage levels of the Fund for the year ended December 31, 2025, as well as the leverage at the end of the reporting period and as a percentage of the Fund's net assets.

The Fund is classified as an "alternative mutual fund” as defined in National Instrument 81-102, Investment Funds ("NI 81-102"). As an alternative mutual fund, the Fund is permitted to lever its assets per the restrictions outlined in NI 81-102. The Fund currently anticipates achieving its investment objectives and creating leverage through the use of cash borrowing. The maximum aggregate exposure of the funds to cash borrowing will not exceed approximately 25% of NAV. In order to ensure that unitholders' risk is limited to the capital invested, the funds' leverage will be rebalanced back to 25% of the funds' NAV within two business days of the funds' leverage exceeding 2% above its target leverage ratio of 25% of NAV.

Leverage Calculation (Investments Market Value/Net Asset Value)

Period Ended	Minimum Leverage	Maximum Leverage	Leverage at the end of the Reporting Period	Percentage of Net Asset Value (%)
June 30, 2026	1.236 : 1	1.252 : 1	1.252 : 1	125.2
December 31, 2025	1.221 : 1	1.267 : 1	1.236 : 1	123.6

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Portfolio Manager Commentary

Canadian utilities advanced over the first half of 2026, supported by a stable interest rate environment even as electrification increasingly reshaped the sector's longer-term growth story. Three forces shaped the period: a steady interest rate backdrop, rising electricity demand from data centers and artificial intelligence, and sustained investment in regulated infrastructure.

A steady interest rate backdrop worked in the sector's favour. Utilities are sensitive to interest rate movements, given their heavy debt loads and their appeal as income investments. The Bank of Canada kept its policy rate at 2.25% through the first half of 2026.[1] Inflation rose over the period, standing at 2.3% in January[2] before reaching 3.2% by May, its highest level in more than two years, with higher gasoline prices the main driver.[3]

Rising electricity demand from data centers and artificial intelligence was one of the sector's defining themes, and utilities began committing significant capital to meet it. Fortis put this into practice in early 2026, when its United States subsidiary ITC completed a new substation to support 300 megawatts of load growth for the first data center at the Big Cedar Industrial Center. Further transmission work is underway there to serve another 1,600 megawatts of data center load by 2028.[4] In Ontario, Hydro One was selected to develop and construct three new priority transmission lines, the Greenstone, Sudbury to Barrie, and Red Lake lines.[5]

Capital investment across the sector expanded through the period, as utilities enlarged their regulated asset bases to keep pace with demand. Fortis advanced a $28.8 billion five-year capital plan, most of it directed at transmission and distribution.[4] Hydro One invested $715 million over the first quarter,[5] while Emera deployed more than $870 million of its $4.0 billion capital plan for the year.[6]

Entering the second half of the year, the Canadian utilities sector remains anchored by a stable interest rate environment,[1]structural electricity demand from data centers and artificial intelligence,[4] and a slate of regulated capital programs already under way.[6] The transmission and distribution build-out that defined the first half continues to move forward.[5]

Performance Attribution

For the six-month period ending June 30, 2026, TC Energy Corporation made the biggest contribution to the Fund, followed by AltaGas Limited. By weight, the Fund's largest holdings were Pembina Pipeline Corporation, Fortis Inc/Canada, and Emera Inc.

The Fund writes covered call options on up to 33% of the portfolio. The overlay is designed to enhance yield and reduce the Fund’s volatility.

(1) https://www.bankofcanada.ca/2026/06/fad-press-release-2026-06-10/

(2) https://www.cbc.ca/news/business/canada-inflation-cpi-january-2026-9.7093329f

(3) https://www.cbc.ca/news/business/cpi-may-2026-9.7244063

(4) https://www.globenewswire.com/news-release/2026/05/06/3288595/0/en/fortis-inc-releases-first-quarter-2026-results.html

(5) https://www.sec.gov/Archives/edgar/data/0001712356/000171235626000011/a2026q1holpr.htm

(6) https://www.businesswire.com/news/home/20260508649853/en/Emera-Reports-2026-First-Quarter-Financial-Results

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 0.60% of the net asset value of the Unhedged ETF Units and the Unhedged Class F Mutual Fund Units and 1.60% 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 $1,217,416 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 $292,571 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 Unit[1]

For the periods ended:	**June 30, 2026 ($)**	December 31, 2025 ($)	December 31, 2024 ($)
Unhedged ETF Units - Net Assets per Unit			
Net Assets per Unit, beginning of period	**9.05**	9.11	10.06
Increase (decrease) from operations:			
Total revenue	**0.27**	0.60	0.29
Total expenses	**(0.08)**	(0.17)	(0.07)
Realized gains (losses)	**0.02**	0.06	(0.08)
Unrealized gains (losses)	**0.61**	0.93	(1.09)
Total increase (decrease) from operations[2]	**0.82**	**1.42**	**(0.95)**
Distributions:			
From income (excluding dividends)	**(0.83)**	-	-
From dividends	**-**	(0.27)	(0.01)
From capital gains	**-**	(0.07)	(0.03)
Return of capital	**-**	(1.32)	(0.51)
Total annual distributions[3]	**(0.83)**	**(1.66)**	**(0.55)**
Net Assets per Unit, end of period	**9.12**	**9.05**	**9.11**
Unhedged Class A - Net Assets per Unit			
Net Assets per Unit, beginning of period	**9.07**	9.23	9.99
Increase (decrease) from operations:			
Total revenue	**0.27**	0.62	0.25
Total expenses	**(0.14)**	(0.27)	(0.07)
Realized gains (losses)	**0.02**	0.07	(0.06)
Unrealized gains (losses)	**0.53**	0.87	(1.17)
Total increase (decrease) from operations[2]	**0.68**	**1.29**	**(1.05)**
Distributions:			
From income (excluding dividends)	**(0.83)**	-	-
From dividends	**-**	(0.12)	(0.01)
From capital gains	**-**	(0.08)	(0.01)
Return of capital	**-**	(1.46)	(0.26)
Total annual distributions[3]	**(0.83)**	**(1.66)**	**(0.28)**
Net Assets per Unit, end of period	**9.09**	**9.07**	**9.23**

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

For the periods ended:	**June 30, 2026 ($)**	December 31, 2025 ($)	December 31, 2024 ($)
Unhedged Class F - Net Assets per Unit			
Net Assets per Unit, beginning of period	**9.20**	9.25	9.99
Increase (decrease) from operations:			
Total revenue	**0.28**	0.60	0.22
Total expenses	**(0.08)**	(0.17)	(0.05)
Realized gains (losses)	**0.02**	0.04	(0.04)
Unrealized gains (losses)	**0.60**	0.96	(0.76)
Total increase (decrease) from operations[2]	**0.82**	**1.43**	**(0.63)**
Distributions:			
From income (excluding dividends)	**(0.83)**	-	-
From dividends	**-**	(0.31)	(0.01)
From capital gains	**-**	(0.07)	(0.01)
Return of capital	**-**	(1.28)	(0.26)
Total annual distributions[3]	**(0.83)**	**(1.66)**	**(0.28)**
Net Assets per Unit, end of period	**9.29**	**9.20**	**9.25**

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 and 2024. The Unhedged ETF Units effectively began operations on September 4, 2024, and the Unhedged Class A and F Mutual Fund Units effectively began operations on October 11, 2024.

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 period ended:	**June 30, 2026**	December 31, 2025	December 31, 2024
Unhedged ETF Units - Ratios/Supplemental Data			
Total Net Asset Value ($)[4]	**377,152,834**	253,294,362	71,536,606
Number of units outstanding[4]	**41,350,000**	28,000,000	7,850,000
Management expense ratio[5]	**0.84%**	0.85%	0.84%
Trading expense ratio[6]	**0.89%**	0.98%	0.30%
Portfolio turnover rate[7]	**18.66%**	36.64%	12.69%
Net Asset Value per unit ($)	**9.12**	9.05	9.11
Closing market price ($)	**9.25**	9.05	9.12
Unhedged Class A - Ratios/Supplemental Data			
Total Net Asset Value ($)[4]	**8,754,195**	5,927,697	345,692
Number of units outstanding[4]	**963,163**	653,773	37,471
Management expense ratio[5]	**1.99%**	1.97%	1.93%
Trading expense ratio[6]	**0.89%**	0.98%	0.30%
Portfolio turnover rate[7]	**18.66%**	36.64%	12.69%
Net Asset Value per unit ($)	**9.09**	9.07	9.23

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

For the period ended:	**June 30, 2026**	December 31, 2025	December 31, 2024
Unhedged Class F - Ratios/Supplemental Data			
Total Net Asset Value ($)[4]	**24,717,403**	17,924,556	6,064,834
Number of units outstanding[4]	**2,659,352**	1,947,468	655,877
Management expense ratio[5]	**0.84%**	0.85%	0.83%
Trading expense ratio[6]	**0.89%**	0.98%	0.30%
Portfolio turnover rate[7]	**18.66%**	36.64%	12.69%
Net Asset Value per unit ($)	**9.29**	9.20	9.25

4 This information is provided as at June 30, 2026, and December 31, 2025 and 2024.
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. The trading expense ratio includes the cost of financing.
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.

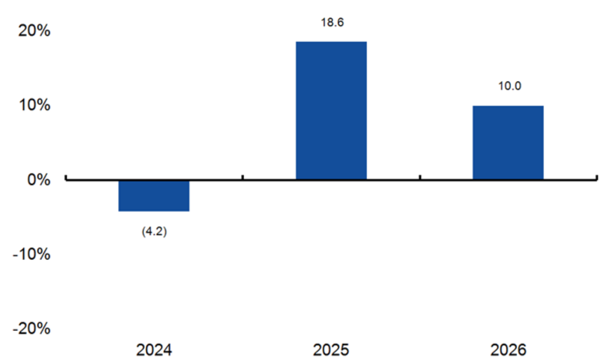
Past Performance

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.

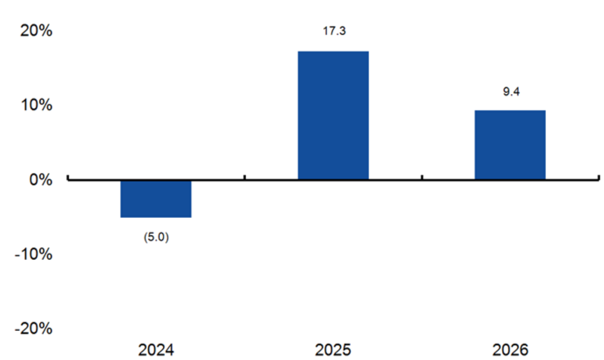
Year-by-Year Returns

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.

UTES Unhedged ETF Units[1]



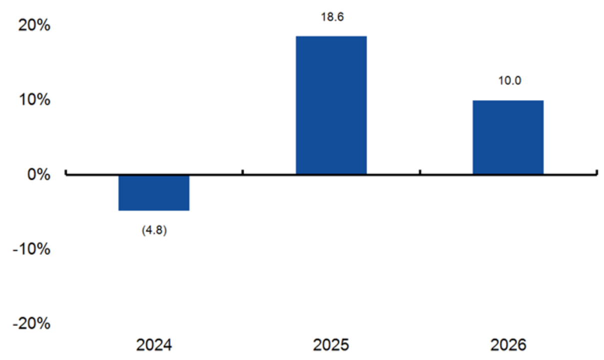
Unhedged Class A Mutual Fund Units[2]



1 The Unhedged ETF Units of the Fund effectively began operations on September 4, 2024.

2 The Unhedged Class A Mutual Fund Units of the Fund effectively began operations on October 11, 2024.

Unhedged Class F Mutual Fund Units[3]



3 The Unhedged Class F Mutual Fund Units of the Fund effectively began operations on October 11, 2024.

Summary of Investment Portfolio

All Positions

Security	Percentage of Net Asset Value (%)
Pembina Pipeline Corporation	13.3
Fortis Inc.	13.2
Emera Inc.	13.2
TC Energy Corporation	13.1
Enbridge Inc.	13.0
AltaGas Limited	12.8
Hydro One Limited	12.5
Rogers Communications Inc., Class 'B'	11.7
BCE Inc.	11.6
TELUS Corporation	10.8
Total	**125.2**

Industry Allocation

Portfolio by Category	Percentage of Net Asset Value (%)
Equities	
Communication Services	34.1
Energy	39.3
Utilities	51.8
Derivative Liabilities	(0.3)
Cash and Cash Equivalents	2.5
Other Assets, less Liabilities	(27.4)
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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