Evolve Levered Ether 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 Levered Ether ETF's (the "Fund") investment objective is to provide holders of Units with exposure to 1.25x the daily price movements of the U.S. dollar price of Ether while experiencing minimal tracking error by investing in other publicly offered investment funds managed by the Manager. The Fund will use leverage in order to achieve its investment objective. Leverage will be created through the use of cash borrowings or as otherwise permitted under applicable securities legislation.

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 Unhedged ETF Units returned -55.0% and the US Dollar Unhedged ETF Units returned -56.4% versus the CME CF Ether-Dollar Reference Rate return of -47.4%. The Fund's net assets were $1.8MM as at June 30, 2026.

Leverage

The table below shows the minimum and maximum leverage levels of the Fund for the six-month period ended June 30, 2026, 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	1.204 : 1	1.322 : 1	1.249 : 1	124.9
December 31, 2025	1.203 : 1	1.330 : 1	1.245 : 1	124.5

Portfolio Manager Commentary

Ether fell over the first half of 2026, even as activity on the Ethereum network reached record levels.[1] A weaker market for the asset, set against heavier use of the network, defined the period.

Demand for ether was weak over the opening months of 2026. More money left the market than came in. Ether also moved onto exchanges at a faster pace, a pattern consistent with selling pressure.[1] In early June, a broad retreat from risk assets dragged the market lower.[2]

Use of the network moved the other way. The number of active wallets approached two million in February, more than at the peak of the 2021 rally, and other measures of network activity, including token transfers, set records too.[1] Ethereum also held more than half of the world's stablecoins.[1]

The heavier use did not lift ether's price, and it did little for the fees earned by the main network. Much of the activity ran on lower-cost networks built on top of Ethereum, which passed only small fees back to it.[1] Through the first half, that activity stayed concentrated in a small number of these networks, while several smaller ones saw their deposits decline.[3]

Looking ahead, the network remains heavily used, even after a half in which ether's price fell and money left the market. The main open question for the sector is how much of the value created by that activity flows to ether itself, rather than to the networks built on top of it.

(1) https://www.coindesk.com/markets/2026/03/11/ethereum-network-activity-hits-record-highs-as-ether-price-and-fee-generation-lag

(2) https://www.coindesk.com/markets/2026/06/05/bitcoin-and-ether-etfs-end-record-multi-billion-outflow-streak

(3) https://www.coindesk.com/tech/2026/06/04/not-all-ethereum-layer-2s-are-dying-but-many-general-purpose-chains-no-longer-have-a-reason-to-exist

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.

For the six-month period ended June 30, 2026, the Fund invested in the Evolve Ether ETF (the “Underlying Fund”), which is an investment fund managed by the Manager.

Management Fees

The management fees directly payable to the Manager are nil for the Unhedged ETF Units and US Dollar Unhedged ETF Units of the Fund. The Underlying Fund held by the Fund pays management fees.

Underlying Management Fees

The Underlying Fund currently pays management fees calculated based on 0.75% per annum of the average daily net asset value of the Underlying Fund. The fees are accrued daily and generally paid monthly. These management fees were received by the Manager for the day-to-day operations of the Underlying Fund, including managing the portfolio, maintaining portfolio systems used to manage the Underlying 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 $2,144 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.

Underlying Fund Operating Expenses

The Fund indirectly bears the operating expenses that are borne by the Underlying Fund incurred in connection with their operation, administration and related portfolio transactions, including but not limited to: mailing and printing expenses for periodic reports to unitholders; fees payable to the 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; 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 auditor and legal advisors; regulatory filing, stock exchange and licensing fees (if applicable) and CDS fees; banking costs and interest with respect to any borrowing (if applicable); website maintenance costs; 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, consultants (if any), CF Benchmarks (in respect of index licensing and/or consulting fees, if any), custodian and manager which are incurred in respect of matters not in the normal course of the Underlying Fund's activities.

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 ($)**	December 31, 2025 ($)
Unhedged ETF Units - Net Assets per Unit		
Net Assets per Unit, beginning of period	**29.86**	19.38
Increase (decrease) from operations:		
Total expenses	**(0.13)**	(0.36)
Realized gains (losses)	**(6.27)**	16.01
Unrealized gains (losses)	**(7.39)**	(12.17)
Total increase (decrease) from operations[2]	**(13.79)**	**3.48**
Net Assets per Unit, end of period	**13.45**	**29.86**
US Dollar Unhedged ETF Units - Net Assets per Unit[3]		
Net Assets per Unit, beginning of period	**42.66**	27.68
Increase (decrease) from operations:		
Total expenses	**(0.18)**	(0.43)
Realized gains (losses)	**(9.71)**	16.10
Unrealized gains (losses)	**(13.56)**	24.46
Total increase (decrease) from operations[2]	**(23.45)**	**40.13**
Net Assets per Unit, end of period	**19.21**	**42.66**

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. The Unhedged ETF Units and US Dollar Unhedged ETF Units effectively began operations on March 18, 2025.

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 Per unit figures are stated in CAD equivalent.

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The Fund's Ratios/Supplemental Data

For the period ended:	**June 30, 2026**	December 31, 2025
Unhedged ETF Units - Ratios/Supplemental Data		
Total Net Asset Value ($)[4]	**1,344,809**	2,986,376
Number of units outstanding[4]	**100,000**	100,000
Management expense ratio excluding proportion of expenses from underlying fund expenses[5]	**0.17%**	0.17%
Management expense ratio[6,9]	**2.74%**	2.00%
Trading expense ratio[7]	**1.08%**	1.03%
Portfolio turnover rate[8]	**83.11%**	128.62%
Net Asset Value per unit ($)	**13.45**	29.86
Closing market price ($)	**13.30**	29.90
US Dollar Unhedged ETF Units - Ratios/Supplemental Data		
Total Net Asset Value ($)[4]	**480,223**	1,066,414
Number of units outstanding[4]	**25,000**	25,000
Management expense ratio excluding proportion of expenses from underlying fund expenses[5]	**0.17%**	0.18%
Management expense ratio[6,9]	**2.74%**	2.00%
Trading expense ratio[7]	**1.08%**	1.03%
Portfolio turnover rate[8]	**83.11%**	128.62%
Net Asset Value per unit ($)	**19.21**	42.66
Closing market price ($)	**19.20**	42.66

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

5 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.

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. The trading expense ratio includes the cost of financing.

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.

9 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.

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 and US Dollar Unhedged 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.

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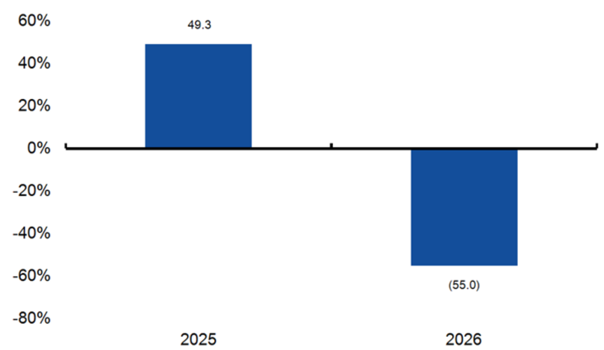
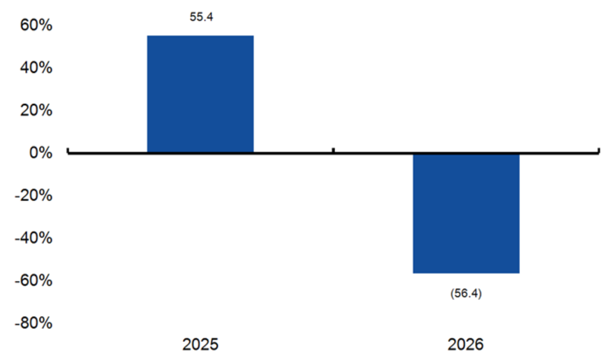
LETH Unhedged ETF Units[1]



LETH/U US Dollar Unhedged ETF Units[2]



1 The Unhedged ETF Units of the Fund effectively began operations on March 18, 2025.

2 The US Dollar Unhedged ETF Units of the Fund effectively began operations on March 18, 2025. Returns presented based on NAV equivalent in USD.

Summary of Investment Portfolio

All Positions

Security	Percentage of Net Asset Value (%)
Evolve Ether ETF	124.9
Total	**124.9**

Industry Allocation

Portfolio by Category	Percentage of Net Asset Value (%)
Equities	
ETFs - Digital Assets	124.9
Cash and Cash Equivalents	0.1
Other Assets, less Liabilities	(25.0)
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.

EVOLVE ETFs

Evolve Levered Ether ETF