Evolve XRP 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 investment objective of Evolve XRP ETF (the “Fund”) is to hold substantially all of its assets in physical XRP in order to provide a secure and convenient way to hold XRP in a brokerage account.

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 -42.9% and the US Dollar Unhedged ETF Units returned -44.8% versus the CF Ripple XRP – Dollar Settlement Price return of -44.1%. The Fund's net assets were $21.8MM as at June 30, 2026.

Portfolio Manager Commentary

XRP rose in early January before declining over the remainder of the first half, through the end of June. Developments in United States crypto regulation and a broad cryptocurrency selloff shaped the market across the period.

XRP rallied to open the year in January, breaking through a resistance level that had capped gains for weeks.[1] Traders tied the move to a more favourable United States regulatory backdrop and expectations that crypto market-structure legislation would advance early in the year.[1]

That legislation moved forward in the spring. In mid-May the Senate banking committee approved the Clarity Act, the first wide-ranging piece of crypto legislation to clear the panel.[2]

A broad cryptocurrency selloff pulled the market lower toward the end of the first half of the year. XRP fell in the final week of June, declining over the week as major tokens dropped alongside a rout in technology stocks.[3] Analysts linked the broader crypto weakness to large holders selling and to investor capital rotating toward AI-related equities.[3]

Looking ahead, two forces from the period carry into the second half of the year. The Clarity Act had not become law by June 30, leaving its path through Congress a known source of regulatory uncertainty.[2] The broader direction of risk assets is also a key factor, in particular, the rotation of investor capital toward AI-related equities that weighed on crypto late in the first half.[3]

(1) https://www.coindesk.com/markets/2026/01/06/xrp-rockets-11-to-nearly-usd2-40-as-ripple-linked-etfs-see-highest-trading-volumes

(2) https://www.cnbc.com/2026/05/14/clarity-act-congress-crypto-senate.html

(3) https://www.coindesk.com/markets/2026/06/26/ether-xrp-and-dogecoin-lead-a-broad-crypto-selloff-as-tech-stocks-tumble

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 1.00% per annum of the average daily net asset value of the Fund. The fees are accrued daily and generally paid monthly in arrears. Since the Fund's inception, the Manager has reduced the management fee on the Canadian Dollar Unhedged ETF Units and US Dollar Unhedged ETF Units of the Fund to 0.75%. The effective annual management fee for the Canadian Dollar Unhedged ETF Units and US Dollar Unhedged ETF Units is 0.75%. For the six-month period ended June 30, 2026, the Fund incurred $146,880 in management fees, of which $36,539 have been waived or absorbed by the Manager. 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.

Operating Expenses

Unless waived or reimbursed by the Manager, the Fund pays for all operating expenses of the Fund incurred in connection with the operation and administration of the Fund, 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 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 (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, XRP consultant (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 Fund's activities. Additional costs which are also payable by the Fund include any taxes payable by the Fund to which the Fund may be subject, including income taxes, sales taxes (including GST/HST) and/or withholding taxes; expenditures incurred upon termination of the Fund; extraordinary expenses that the Fund may incur and all amounts paid on account of any indebtedness (if applicable); any expenses of insurance and costs of all suits or legal proceedings in connection with the Fund or the assets of the Fund or to protect the Unitholders, the Trustee, the Manager, and the directors, officers, employees or agents of any of them; any expenses of indemnification of the Trustee, the Unitholders, the Manager, and the directors, officers, employees or agents of any of them to the extent permitted under the Declaration of Trust; and expenses relating to the preparation, printing and mailing of information to Unitholders in connection with meetings of Unitholders. The Fund is also responsible for all commissions and other costs of portfolio transactions and any extraordinary expenses of the Fund which may be incurred from time to time, including brokerage and trading commissions and other fees and expenses associated with the execution of transactions in respect of the Fund's investment in XRP.

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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 ($)**	December 31, 2025 ($)
Canadian Dollar Unhedged ETF Units - Net Assets per Unit[3]		
Net Assets per Unit, beginning of period	**6.06**	7.35
Increase (decrease) from operations:		
Total expenses	**(0.06)**	(0.10)
Realized gains (losses)	**(0.73)**	(0.53)
Unrealized gains (losses)	**(2.02)**	(4.31)
Total increase (decrease) from operations[2]	**(2.81)**	**(4.94)**
Net Assets per Unit, end of period	**3.34**	**6.06**
US Dollar Unhedged ETF Units - Net Assets per Unit		
Net Assets per Unit, beginning of period	**8.26**	9.99
Increase (decrease) from operations:		
Total expenses	**(0.07)**	(0.17)
Realized gains (losses)	**(1.18)**	(0.44)
Unrealized gains (losses)	**(1.89)**	0.32
Total increase (decrease) from operations[2]	**(3.14)**	**(0.29)**
Net Assets per Unit, end of period	**4.56**	**8.26**

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 Canadian Dollar Unhedged ETF Units and US Dollar Unhedged ETF Units effectively began operations on June 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 USD equivalent.

The Fund's Ratios/Supplemental Data

For the periods ended:	**June 30, 2026**	December 31, 2025
Canadian Dollar Unhedged ETF Units - Ratios/Supplemental Data		
Total Net Asset Value ($)[4]	**21,085,294**	30,446,807
Number of units outstanding[4]	**6,308,000**	5,028,000
Management expense ratio[5,9]	**2.31%**	2.14%
Management expense ratio before waivers or absorptions[6,9]	**2.59%**	2.42%
Trading expense ratio[7]	**0.05%**	0.03%
Portfolio turnover rate[8]	**22.05%**	89.59%
Net Asset Value per unit ($)	**3.34**	6.06
Closing market price ($)	**3.37**	5.97

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

For the periods ended:	June 30, 2026	December 31, 2025
US Dollar Unhedged ETF Units - Ratios/Supplemental Data		
Total Net Asset Value ($)[4]	**674,476**	726,534
Number of units outstanding[4]	**148,000**	88,000
Management expense ratio[5,9]	**2.37%**	2.62%
Management expense ratio before waivers or absorptions[6,9]	**2.65%**	2.90%
Trading expense ratio[7]	**0.05%**	0.03%
Portfolio turnover rate[8]	**22.05%**	89.59%
Net Asset Value per unit ($)	**4.56**	8.26
Closing market price ($)	**4.53**	8.09

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

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 Management expense ratio before waivers or absorptions 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.

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 Since the Fund's inception, the Manager has reduced the management fee on the Canadian Dollar Unhedged ETF Units and US Dollar Unhedged ETF Units of the Fund to 0.75%. The effective annual management fee for the Canadian Dollar Unhedged ETF Units and US Dollar Unhedged ETF 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.

Year-by-Year Returns

The bar chart below shows the Canadian Dollar 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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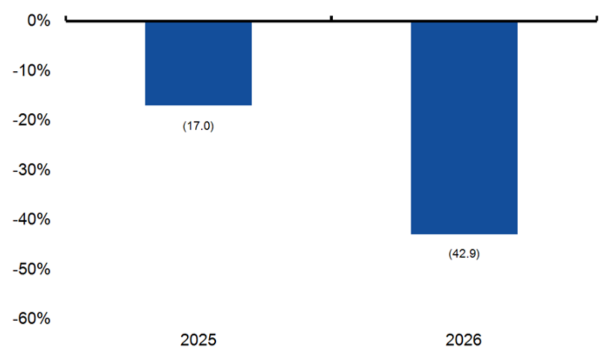
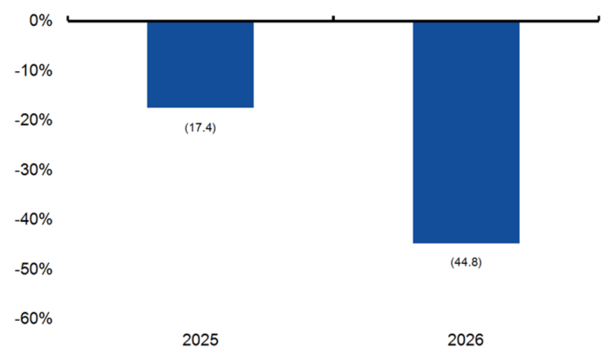
XRP Canadian Dollar Unhedged ETF Units[1]



XRP/U US Dollar Unhedged ETF Units[2]



1 The Canadian Dollar Unhedged ETF Units of the Fund effectively began operations on June 18, 2025. Returns presented based on NAV equivalent in USD.

2 The US Dollar Unhedged ETF Units of the Fund effectively began operations on June 18, 2025.

Summary of Investment Portfolio

All Positions

Security	Percentage of Net Asset Value (%)
XRP	100.0
Total	**100.0**

Industry Allocation

Portfolio by Category	Percentage of Net Asset Value (%)
Digital Assets	
XRP	100.0
Cash and Cash Equivalents	0.7
Other Assets, less Liabilities	(0.7)
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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