

Evolve Big Six Canadian Banks UltraYield 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 Big Six Canadian Banks UltraYield Index ETF (the "Fund") seeks to provide exposure to an equal-weighted portfolio of Canadian banks while generating enhanced income through a covered call strategy. The Evolve Fund aims to replicate, to the extent reasonably possible before fees and expenses, up to a 1.33 times multiple of the performance of the Solactive Equal Weight Canada Banks Index, or a successor index. To enhance yield and manage risk, the Evolve 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

Since the Unhedged ETF Units of the Fund effectively began operations on December 2, 2025, no performance data can be shown. The Fund's net assets were \$80.4MM 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 33% of NAV. In order to ensure that unitholders' risk is limited to the capital invested, the Funds' leverage will be rebalanced back to 33% of the Funds' NAV within two business days of the Funds' leverage exceeding 2% above its target leverage ratio of 33% 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	1.249 : 1	1.342 : 1	1.331 : 1	133.1
December 31, 2025	1.317 : 1	1.339 : 1	1.328 : 1	132.8

Portfolio Manager Commentary

Canada's Big Six banks reported higher profits across the first half of 2026, with quarterly earnings running ahead of analyst expectations, lower provisions for credit losses, and rising dividends. Every bank topped expectations in the first quarter, posting combined profits of about \$19 billion, up from roughly \$14 billion a year earlier.¹ The pattern held in the second quarter, when profits again rose across the group and results once more beat forecasts.²

Credit conditions were a supporting factor. In the second quarter, five of the six banks set aside smaller provisions for credit losses than a year earlier.² The improvement came against a backdrop of steady interest rates, as the Bank of Canada held its policy rate at 2.25% while pointing to continued uncertainty over United States trade policy.³

Stronger earnings and lower provisioning supported a broad return of capital. Every bank except CIBC raised its quarterly dividend alongside second-quarter results.²

Entering the second half of the year, the Canadian banking sector is supported by earnings that have run ahead of expectations, improving credit conditions, and continued dividend growth. With interest rates steady and trade negotiations ongoing, the sector remains backed by firm capital positions as it moves through the remainder of 2026.

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Performance Attribution

For the six-month period ending June 30, 2026, Bank of Montreal made the biggest contribution to the Fund, followed by Royal Bank of Canada. By weight, the Fund's largest holdings were Toronto-Dominion Bank, Royal Bank of Canada, and Bank of Montreal.

The Fund writes covered call options on up to 50% of the portfolio. The overlay is designed to enhance yield and reduce the Fund's volatility.

(1) <https://www.bnnbloomberg.ca/markets/currencies/2026/02/27/big-six-banks-exceed-expectations-hit-19-billion-in-q1-profit/>

(2) <https://www.bnnbloomberg.ca/business/company-news/2026/05/28/big-six-banks-see-reasons-for-optimism-while-navigating-period-of-volatility/>

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

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 of the Fund, accrued daily and generally paid monthly in arrears. For the six-month period ended June 30, 2026, the Fund incurred \$179,954 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 \$44,988 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.

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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 Unit¹

	June 30, 2026 (\$)	December 31, 2025 (\$)
For the periods ended:		
Unhedged ETF Units - Net Assets per Unit		
Net Assets per Unit, beginning of period	26.44	25.51
Increase (decrease) from operations:		
Total revenue	0.54	0.12
Total expenses	(0.35)	(0.06)
Realized gains (losses)	(0.80)	(0.06)
Unrealized gains (losses)	9.21	0.96
Total increase (decrease) from operations²	8.60	0.96
Distributions:		
From income (excluding dividends)	(2.52)	-
Return of capital	-	(0.42)
Total annual distributions³	(2.52)	(0.42)
Net Assets per Unit, end of period	31.39	26.44

- 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 effectively began operations on December 2, 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 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

	June 30, 2026	December 31, 2025
For the period ended:		
Unhedged ETF Units - Ratios/Supplemental Data		
Total Net Asset Value (\$) ⁴	80,369,991	24,849,779
Number of units outstanding ⁴	2,560,000	940,000
Management expense ratio ⁵	0.84%	0.81%
Trading expense ratio ⁶	1.68%	1.76%
Portfolio turnover rate ⁷	64.55%	6.81%
Net Asset Value per unit (\$)	31.39	26.44
Closing market price (\$)	31.40	26.45

- 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 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.

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Past Performance

Since the Fund is a reporting issuer for less than one year, with inception date December 2, 2025 for the Unhedged ETF Units, providing performance data for the period is not permitted.

Summary of Investment Portfolio

All Positions

	Percentage of Net Asset Value (%)
Security	
The Toronto-Dominion Bank	23.2
Royal Bank of Canada	23.1
Bank of Montreal	22.7
The Bank of Nova Scotia	22.0
Canadian Imperial Bank of Commerce	21.1
National Bank of Canada	21.0
Total	133.1

Industry Allocation

	Percentage of Net Asset Value (%)
Portfolio by Category	
Equities	
Financials	133.1
Derivative Liabilities	(0.7)
Cash and Cash Equivalents	1.4
Other Assets, less Liabilities	(33.8)
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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