

Evolve Artificial Intelligence Fund

December 31, 2025

Annual Management Report of Fund Performance

This annual management report of fund performance contains financial highlights but does not contain the complete annual financial statements of the investment fund. You can get a copy of the annual 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.

Evolve Artificial Intelligence Fund

December 31, 2025

Investment Objective and Strategies

The Evolve Artificial Intelligence Fund (the "Fund") seeks to provide exposure to securities of publicly traded issuers that the Manager has determined are expected to benefit from increased adoption of Artificial intelligence (AI).

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 year ended December 31, 2025, the Hedged ETF Units returned 21.6%. The Fund's net assets were \$22.3MM as at December 31, 2025.

Portfolio Manager Commentary

Global adoption of artificial intelligence (AI) continued to accelerate in the second half of 2025, with usage rising to 16.3% of the world's population, up from 15.1% in the first half of the year. Approximately one in six people worldwide are now using generative AI tools for work, learning, or problem-solving, a rapid uptake for a technology still in its early stages.¹

Adoption, however, remains uneven. Growth in the Northern hemisphere outpaced the Southern hemisphere, widening the usage gap to more than 10 percent. While AI's benefits are expanding globally, access and utilization continue to diverge across regions.

A notable development in 2025 was the rapid rise of DeepSeek, an open-source AI platform that gained traction in markets underserved by traditional providers. By offering a free chatbot and releasing its model under an open-source MIT license, DeepSeek lowered barriers to entry and saw strong adoption across parts of Asia, Eastern Europe, and Africa, aided by local partnerships.¹

These trends highlight a growing geopolitical dimension to AI adoption, as the United States and China increasingly compete to shape global AI ecosystems. Accessibility and distribution, not just technical capability, are emerging as key determinants of influence, with the next wave of AI users likely to come from regions historically left out of earlier technology cycles.

Performance Attribution

For the twelve-month period ending December 31, 2025, Alphabet Inc., Class 'C' made the biggest contribution to the Fund, followed by Broadcom Inc. By weight, the Fund's largest holdings were Alphabet Inc., Class 'C', Apple Inc., and Amazon.com Inc.

(1) <https://www.microsoft.com/en-us/corporate-responsibility/topics/ai-economy-institute/reports/global-ai-adoption-2025/>

Recent Developments

In 2026, financial markets are operating in an environment increasingly shaped by heightened geopolitical conflict, most notably the developing war in the middle east. The escalation has triggered sharp moves across global markets, including spikes in oil and gas prices, increased demand for safe haven assets, and renewed volatility in equities, bonds, and foreign currencies. While underlying economic activity remains resilient in several regions, higher energy prices and elevated geopolitical uncertainty have added new risks to inflation trajectories and policy expectations. Governments are reassessing defense spending and trade arrangements, while central banks face a more complex balance between managing inflation pressures and supporting growth. Market volatility has intensified across asset classes, particularly in sectors sensitive to energy costs, geopolitical risk, and global supply chains. The duration and broader economic impact of the conflict remain uncertain, and the potential financial implications for investments continue to evolve as conditions develop.

Evolve Artificial Intelligence Fund

December 31, 2025

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 0.60% per annum of the average daily net asset value of the Fund. The fees are accrued daily and generally paid monthly. For the year ended December 31, 2025, the Fund incurred \$94,879 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 0.25% per annum of the average daily net asset value of the Fund. The fees are accrued daily and are generally paid monthly. For the year ended December 31, 2025, the Fund incurred \$41,137 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

	December 31, 2025 (\$)	December 31, 2024 (\$)
For the periods ended:		
Hedged ETF Units - Net Assets per Unit		
Net Assets per Unit, beginning of period	11.84	10.00
Increase (decrease) from operations:		
Total revenue	0.06	0.04
Total expenses	(0.15)	(0.11)
Realized gains (losses)	1.10	(0.47)
Unrealized gains (losses)	1.50	2.59
Total increase (decrease) from operations²	2.51	2.05
Net Assets per Unit, end of period	14.40	11.84

1 This information is derived from the Fund's audited annual financial statements as at December 31, 2025 and 2024. The Hedged ETF Units effectively began operations on March 22, 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.

Evolve Artificial Intelligence Fund

December 31, 2025

The Fund's Ratios/Supplemental Data

For the periods ended:	December 31, 2025	December 31, 2024
Hedged ETF Units - Ratios/Supplemental Data		
Total Net Asset Value (\$)³	22,318,166	7,698,898
Number of units outstanding³	1,550,000	650,000
Management expense ratio⁴	0.96%	0.97%
Trading expense ratio⁵	0.16%	0.25%
Portfolio turnover rate⁶	47.25%	44.07%
Net Asset Value per unit (\$)	14.40	11.84
Closing market price (\$)	14.41	11.84

3 This information is provided as at December 31, 2025 and 2024.

4 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.

5 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.

6 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.

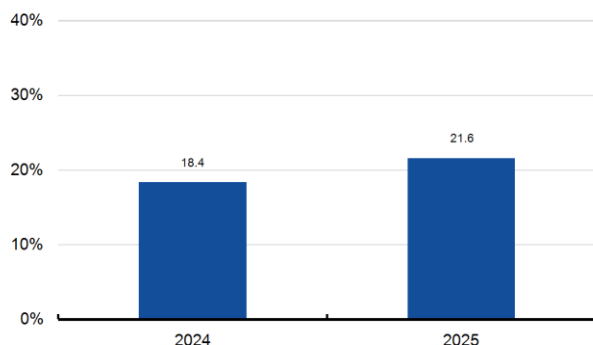
Past Performance

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 the financial year shown. 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.

ARTI Hedged ETF Units¹



1 The Hedged ETF Units of the Fund effectively began operation on March 22, 2024

Evolve Artificial Intelligence Fund

December 31, 2025

Annual Compound Return

The table below shows the historical annual compound total return of the Hedged ETF Units. The returns are for the period ended December 31, 2025. As a basis of comparison, we have provided the performance of the NASDAQ-100 Index (the "Index"). The difference in performance of the Hedged ETF Units relative to the Index can be attributed to the difference of criteria for determining the constituents of the Fund and the Index, it is not expected that the Fund's performance will mirror that of the Index. Additionally, the return of the Index is calculated without the deduction of management fees and fund expenses whereas the performance of the Fund is calculated after deducting such fees and expenses.

	Since Inception ¹ (%)	1 Year (%)
Hedged ETF Units	22.8	21.6
NASDAQ-100 Index ²	20.6	21.0

1 From inception date of March 22, 2024 for the Hedged ETF Units.

2 The Index tracks the stocks of the 100 largest, most actively traded, non-financial companies that are listed on the Nasdaq Stock Market

Summary of Investment Portfolio

Top 25 Positions

	Percentage of Net Asset Value (%)
Security	
Alphabet Inc., Class 'C'	12.3
Apple Inc.	10.8
Amazon.com Inc.	10.5
NVIDIA Corporation	10.2
Broadcom Inc.	9.4
Microsoft Corporation	9.3
Meta Platforms Inc., Class 'A'	9.0
Oracle Corporation	2.9
Palantir Technologies Inc., Class 'A'	2.7
Salesforce Inc.	1.6
Cisco Systems Inc.	1.5
Micron Technology Inc.	1.5
Advanced Micro Devices Inc.	1.4
International Business Machines Corporation	1.4
AppLovin Corporation, Class 'A'	1.4
Qualcomm Inc.	1.0
Adobe Inc.	1.0
ServiceNow Inc.	0.9
Accenture PLC, Class 'A'	0.9
Arista Networks Inc.	0.8
Applied Materials Inc.	0.8
Intel Corporation	0.8
CrowdStrike Holdings Inc., Class 'A'	0.7
CoreWeave Inc., Class 'A'	0.5
Snowflake Inc., Class 'A'	0.4
Total	93.7

Evolve Artificial Intelligence Fund

December 31, 2025

Industry Allocation

Portfolio by Category		Percentage of Net Asset Value (%)
Equities		
Communication Services		21.3
Consumer Discretionary		10.5
Financials		0.2
Industrials		0.5
Information Technology		67.4
Derivative Assets		0.1
Derivative Liabilities		(0.0)
Cash and Cash Equivalents		1.9
Other Assets, less Liabilities		(1.9)
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 Artificial Intelligence Fund