

Evolve Solana ETF

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.

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Investment Objective and Strategies

The Evolve Solana ETF's (the "Fund") investment objective is to provide Unitholders with exposure to the daily price movements of the U.S. dollar price of Solana while experiencing minimal tracking error by utilizing the benefits of the creation and redemption processes offered by the exchange traded fund structure.

Staking of Solana

The Solana Network uses a proof-of-stake ("PoS") consensus mechanism to achieve distributed consensus. The PoS mechanism relies on validator nodes to stake, a process for verifying transactions included in each new block. Validators are incentivized through the PoS network by earning rewards in exchange for verifying transactions, as are owners of Solana who have delegated Solana to validators.

Staking Solana requires validators who engage in the active function of running validator software and equipment. Rewards are paid in Solana and are variable depending, primarily, on the total amount of Solana staked to the Solana Network. Validators participating in the Solana Network's PoS protocol (and owners of Solana who have delegated Solana to validators) risk the loss of their staked Solana in the event that such validators fail to comply with the rules of the Solana Network (a process called slashing).

The Manager intends to engage in the staking of Solana held in the Fund's portfolio ("Staking Arrangements"), in order to earn rewards for the Fund, which rewards will, following the deduction of applicable fees and expenses, accrue to the Fund's net asset value for the benefit of Unitholders. The Manager intends to initially target staking up to 50% of the Solana held in the portfolio of the Fund. The Fund's Staking Arrangements are expected to be initially facilitated by Coinbase Custody Trust Company, LLC (the "Sub-Custodian").

Staking Arrangements will generally occur as follows:

- the Manager will direct the Sub-Custodian to stake a certain amount of Solana to a validator (which may also be the Sub-Custodian) directly out of the cold wallet administered by the Sub-Custodian on behalf of the Fund;
- rewards, which will be paid in Solana subject to any bonding or lock-up period, may be earned in connection with the staking of Solana;
- the Sub-Custodian will be entitled to a fee in respect of the rewards and will pay a portion of such fee to any party acting as validator; and
- the rewards will be delivered to a custodial wallet of the Fund held with the Sub-Custodian, a portion of which will be paid to the Manager as the Staking Service Fee, with the balance to be reinvested in the Fund.

Although there is currently no minimum amount of the Solana of the Fund that may be staked, the Fund intends to cause the Sub-Custodian to stake a portion of its Solana from time to time and the Manager intends to adopt a measured approach to Staking Arrangements, taking into account the liquidity needs of the Fund, the novelty of the investment strategy, as well as any applicable regulatory requirements and approvals. The Manager intends to initially target staking up to 50% of the Solana held in the portfolio of the Fund.

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 Canadian Dollar Unhedged and the US Dollar Unhedged ETF Units effectively began operations on April 16, 2025, no performance data can be shown. The Fund's net assets were \$9.4MM as at December 31, 2025.

For the period ended December 31, 2025, the Fund generated an increase (decrease) in net assets attributable to holders of redeemable units from operations of (\$3,067,530). This Fund was not in operation during the period ended December 31, 2024. The Fund distributed \$1,948,098 to unitholders during the year. 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.

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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.

Portfolio Manager Commentary

2025 marked a breakthrough year for Solana, as the network continued its transition beyond its earlier memecoin-driven phase toward broader institutional adoption.

Solana rallied sharply early in the year, reaching a peak of \$294 in January amid heightened network activity driven by growing institutional interest, the U.S. presidential inauguration, and a renewed burst of memecoin speculation. That momentum proved short-lived. As broader crypto markets corrected, SOL retraced roughly 58% from its peak, underscoring the volatility that continued to define the asset class.¹

Institutional engagement nonetheless accelerated over the course of the year. Solana ETFs launched in Canada during the summer, followed by the approval of U.S. spot Solana ETFs in November. Corporate treasury allocations further legitimized Solana's role within traditional capital markets. However, despite these milestones, the price of Solana's native token continued to drift lower. Public companies moved aggressively to accumulate SOL ahead of ETF launches, with some issuing bonds to fund large-scale purchases. By year-end, declining prices left many digital asset treasuries underwater, raising questions around the durability of this strategy even as cumulative holdings surpassed 20 million SOL.¹

Beyond price action, Solana strengthened its position at the infrastructure level. The network emerged as a leading platform for tokenized real-world assets, with RWA growth outpacing Ethereum over the year. Stablecoin adoption was a key driver, with Solana's stablecoin supply rising sharply to nearly \$17 billion by year-end.¹

As memecoin activity faded, new crypto use cases gained traction. Prediction markets emerged as a prominent narrative following high-profile election-related activity, and leading platforms increasingly built on Solana's ecosystem, reinforcing its relevance beyond speculative trading.

(1) <https://coinmarketcap.com/academy/article/solana-2025-sol-institutions-meme-coins-recap>

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.

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.

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Solana Staking Activities

The Fund intends to stake a portion of the Fund's Solana through the facilities of the Sub-Custodian. The Sub-Custodian will use hardware, software and other services necessary to stake the Fund's Solana on the Solana Network. As a result of any staking activity in which the Fund may engage by delegating Solana to the Sub-Custodian, the Fund expects to receive staking rewards of Solana. In facilitating the Fund's Staking Arrangements, the Sub-Custodian, which has experience acting as a validator, will cause Solana held in the Fund's portfolio to be staked. The Sub-Custodian exercises no discretion as to the amount of the Fund's Solana to be staked or the timing of Staking Arrangements (other than as is incidental in establishing or deactivating validator nodes). The Sub-Custodian will maintain exclusive possession and control of the private keys associated with the cold storage wallet into which the Fund's staked Solana may be unbonded, and into which staking rewards will be deposited, at all times. For clarity, when staking, the Sub-Custodian will exercise its discretion to direct the staked voting power of the Fund's staked Solana to the validator nodes operated by the Sub-Custodian, which will be in possession of validator keys. The staked Solana may only be unbonded to the cold storage wallet maintained by the Sub-Custodian, and all staking rewards will also be deposited to such cold storage wallet. The fees payable in connection with the Staking Service Fee will be included in the Fund's management expense ratio.

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. Since the Fund's inception, the Manager has waived the management fee on the Canadian Dollar Unhedged ETF Units and US Dollar Unhedged ETF Units of the Fund until December 31, 2025. These management fees are intended to compensate 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.

Staking Service Fees

In addition to the Management Fee, the Manager is entitled to receive a fee equal to a portion of the staking rewards generated for the Fund by Staking Arrangements (net of the fees payable to the validator(s)) such that no less than 65% of the rewards accrue to the Fund and up to 35% of the rewards accrue to the Manager (the "Staking Service Fee"). The Staking Service Fee will be calculated daily and paid monthly, in arrears, plus applicable taxes, and is intended to compensate the Manager for the additional work required to administer Staking Arrangements for the Fund. For the year ended December 31, 2025, the Fund incurred \$67,901 in Staking Service Fees. The Staking Service Fee charged by the Manager will only be deducted from any rewards generated by Staking Arrangements which will generate income to the Fund.

Operating Expenses

Unless waived or reimbursed by the Manager, the Fund pays for all operating expenses of the Fund ("Operating Expenses") 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, Solana 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 (including preparation costs for tax filing in respect of any such 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 fees and expenses related to the Staking Arrangements and 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 Solana.

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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

	December 31, 2025 (\$)
For the periods ended:	
Canadian Dollar Unhedged ETF Units - Net Assets per Unit⁴	
Net Assets per Unit, beginning of period ²	6.93
Increase (decrease) from operations:	
Total revenue	0.18
Total expenses	(0.25)
Realized gains (losses)	1.22
Unrealized gains (losses)	(3.62)
Total increase (decrease) from operations³	(2.47)
Net Assets per Unit, end of period	6.74
US Dollar Unhedged ETF Units - Net Assets per Unit	
Net Assets per Unit, beginning of period ²	9.64
Increase (decrease) from operations:	
Total revenue	0.25
Total expenses	(0.38)
Realized gains (losses)	1.69
Unrealized gains (losses)	(7.46)
Total increase (decrease) from operations³	(5.90)
Net Assets per Unit, end of period	9.37

- 1 This information is derived from the Fund's 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 April 16, 2025.
- 2 This amount represents the initial launch price.
- 3 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.
- 4 Per unit figures are stated in USD equivalent.

The Fund's Ratios/Supplemental Data

	December 31, 2025
For the periods ended:	
Canadian Dollar Unhedged ETF Units - Ratios/Supplemental Data	
Total Net Asset Value (\$) ⁵	8,596,922
Number of units outstanding ⁵	1,275,000
Management expense ratio ^{6,10}	3.93%
Management expense ratio excluding Staking Service Fees (note 4) ^{7,10}	3.00%
Trading expense ratio ⁸	0.10%
Portfolio turnover rate ⁹	246.21%
Net Asset Value per unit (\$)	6.74
Closing market price (\$)	6.68

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

	December 31, 2025
For the periods ended:	
US Dollar Unhedged ETF Units - Ratios/Supplemental Data	
Total Net Asset Value (\$) ⁵	815,376
Number of units outstanding ⁵	87,000
Management expense ratio ^{6,10}	4.17%
Management expense ratio excluding Staking Service Fees (note 4) ^{7,10}	3.25%
Trading expense ratio ⁸	0.10%
Portfolio turnover rate ⁹	246.21%
Net Asset Value per unit (\$)	9.37
Closing market price (\$)	9.28

5 This information is provided as at December 31, 2025.

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 Management expense ratio excluding Staking Service Fees 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.

8 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.

9 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.

10 Since the Fund's inception, the Manager has waived the management fee on the Canadian Dollar Unhedged ETF Units and US Dollar Unhedged ETF Units of the Fund until December 31, 2025.

Past Performance

Since the Fund is a reporting issuer for less than one year, with inception date April 16, 2025, for the Canadian Dollar Unhedged and US Dollar Unhedged ETF Units, providing performance data for the period is not permitted.

Summary of Investment Portfolio

All Positions

Security	Percentage of Net Asset Value (%)
Solana	100.0
Total	100.0

Industry Allocation

Portfolio by Category	Percentage of Net Asset Value (%)
Digital Assets	
Solana	100.0
Cash and Cash Equivalents	1.7
Other Assets, less Liabilities	(1.7)
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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