



Return Stacked Bonds & Managed Futures ETF
Ticker: RSBT

Semi-Annual Report
July 31, 2023

Return Stacked Bonds & Managed Futures ETF

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Return Stacked Bonds & Managed Futures ETF

PORTFOLIO ALLOCATION at July 31, 2023 (Unaudited)⁽¹⁾

Sector/Security Type	% of Total Portfolio
Cash & Cash Equivalents ⁽²⁾	49.2%
Exchange Traded Funds	49.2
Futures Contracts ⁽³⁾	1.6
Total	100.0%

⁽¹⁾ Percentages are based on total investments, including derivative contracts.

⁽²⁾ Represents cash, short-term investments, and other assets in excess of liabilities.

⁽³⁾ Represents the unrealized amount of the futures contracts.

Return Stacked Bonds & Managed Futures ETF

CONSOLIDATED SCHEDULE OF INVESTMENTS at July 31, 2023 (Unaudited)

	Shares	Value
Exchange Traded Funds — 50.0%		
iShares Core U.S. Aggregate Bond ETF	117,175	\$ 11,445,654
Total Exchange Traded Funds		<u>11,445,654</u>
(Cost \$11,481,215)		<u>11,445,654</u>
Short-Term Investments — 37.5%		
Money Market Funds — 37.5%		
First American Government Obligations Fund, Class X, 5.180% ⁽¹⁾	8,599,612	<u>8,599,612</u>
Total Short-Term Investments		<u>8,599,612</u>
(Cost \$8,599,612)		<u>8,599,612</u>
Total Investments in Securities — 87.5%		
(Cost \$20,080,827)		20,045,266
Other Assets in Excess of Liabilities – 12.5%		<u>2,864,653</u>
Total Net Assets — 100.0%		<u>\$ 22,909,919</u>

⁽¹⁾ The rate shown is the annualized seven-day effective yield as of July 31, 2023.

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CONSOLIDATED SCHEDULE OF FUTURES CONTRACTS at July 31, 2023 (Unaudited)

The Return Stacked Bonds & Managed Futures ETF & CFC had the following futures contracts outstanding with PhillipCapital Inc.

Long Futures Contracts Outstanding	Number of Contracts	Notional Amount	Unrealized Appreciation (Depreciation)	Notional Value
Crude Oil Brent Futures (8/31/2023) ⁽¹⁾	4	\$ 330,986	\$ 10,734	\$ 341,720
NY Harbor ULSD Futures (8/31/2023) ⁽¹⁾	4	464,942	36,622	501,564
RBOB Gasoline Futures (8/31/2023) ⁽¹⁾	7	806,011	45,266	851,277
Nikkei 225 Futures (9/07/2023)	10	1,653,115	11,635	1,664,750
Gasoil Low Sulphur Futures (9/12/2023) ⁽¹⁾	8	642,307	45,693	688,000
S&P / TSK 60 IX Futures (9/14/2023)	6	1,124,579	5,905	1,130,484
DAX Index Futures (9/15/2023)	6	2,676,602	60,308	2,736,910
Euro Stoxx 50 Futures (9/15/2023)	36	1,737,919	46,621	1,784,540
FTSE 100 IDX Futures (9/15/2023)	9	888,710	1,667	890,377
Nasdaq 100 E-Mini Futures (9/15/2023)	18	5,553,817	154,883	5,708,700
S&P 500 Emini Futures (9/15/2023)	23	5,149,762	156,913	5,306,675
British Pound Currency Futures (9/18/2023)	46	3,723,264	(31,476)	3,691,788
Euro FX Currency Futures (9/18/2023)	43	6,045,218	(119,549)	5,925,669
C\$ Currency Futures (9/19/2023)	3	228,110	(275)	227,835
10-Year U.S. Treasury Notes (9/20/2023)	42	4,711,960	(32,897)	4,679,063
U.S. Treasury Long Bonds (9/20/2023)	5	628,162	(5,974)	622,188
High Grade Copper Futures (9/27/2023) ⁽¹⁾	2	196,263	4,137	200,400
Silver Futures (9/27/2023) ⁽¹⁾	3	376,550	(1,970)	374,580
Gold Futures (12/27/2023) ⁽¹⁾	4	200,617	303	200,920
		<u>\$ 37,138,894</u>	<u>\$ 388,546</u>	<u>\$ 37,527,440</u>
Short Futures Contracts Outstanding	Number of Contracts	Notional Amount	Unrealized Appreciation (Depreciation)	Notional Value
Natural Gas Futures (8/29/2023) ⁽¹⁾	13	\$ (348,625)	\$ 6,205	\$ (342,420)
WTI Crude Oil Futures (8/31/2023) ⁽¹⁾	4	(307,076)	(20,124)	(327,200)
Euro Bond Futures (9/07/2023)	16	(2,324,108)	(22,114)	(2,346,222)
Australian Dollar Futures (9/18/2023)	15	(1,007,386)	(1,964)	(1,009,350)
Japanese Yen Currency Futures (9/18/2023)	55	(4,862,899)	(5,976)	(4,868,875)
10-Year Long Gilt Futures (9/27/2023)	24	(2,910,872)	(57,592)	(2,968,464)
2-Year U.S. Treasury Notes (9/29/2023)	186	(37,819,774)	55,962	(37,763,812)
5-Year U.S. Treasury Notes (9/29/2023)	63	(6,750,562)	20,882	(6,729,680)
		<u>\$ (56,331,302)</u>	<u>\$ (24,721)</u>	<u>\$ (56,356,023)</u>

⁽¹⁾ All or a portion of the investment is a holding of Return Stacked Cayman Subsidiary

Return Stacked Bonds & Managed Futures ETF

CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES at July 31, 2023 (Unaudited)

Assets:	
Investments in securities, at value (Cost \$20,080,827) (Note 2) ⁽¹⁾	\$ 20,045,266
Cash	44,087
Foreign Cash (Proceeds \$3,176)	20,606
Collateral at broker for futures	2,957,684
Receivables:	
Dividends and interest	34,666
Total assets	<u>23,102,309</u>
Liabilities:	
Payables:	
Investment Payable	175,100
Management fees (Note 4)	17,290
Total liabilities	<u>192,390</u>
Net Assets	<u>\$ 22,909,919</u>
Components of Net Assets:	
Paid-in capital	\$ 23,729,900
Total distributable (accumulated) earnings (losses)	<u>(819,981)</u>
Net assets	<u>\$ 22,909,919</u>
Net Asset Value (unlimited shares authorized):	
Net assets	\$ 22,909,919
Shares of beneficial interest issued and outstanding	1,250,000
Net asset value	<u>\$ 18.33</u>

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CONSOLIDATED STATEMENT OF OPERATIONS For the Period Ended July 31, 2023 (Unaudited)⁽¹⁾

Investment Income:

Interest income	\$ 112,944
Dividend income	<u>82,722</u>
Total investment income	<u>195,666</u>

Expenses:

Management fees (Note 4)	62,126
Broker interest expense	<u>5,367</u>
Total expenses	<u>67,493</u>
Net investment income (loss)	<u>128,173</u>

Realized and Unrealized Gain (Loss):

Net realized gain (loss) on:	
Investments	(41,214)
Futures contracts	<u>(1,256,891)</u>
Change in net unrealized appreciation/depreciation on:	
Investments	(13,874)
Futures contracts	<u>363,825</u>
Net realized and unrealized gain (loss) on investments	<u>(948,154)</u>
Net increase (decrease) in net assets resulting from operations	<u>\$ (819,981)</u>

⁽¹⁾ The Fund commenced operations on February 7, 2023. The information presented is from February 7, 2023 to July 31, 2023.

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CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

	Period Ended July 31, 2023⁽¹⁾ (Unaudited)
Increase (Decrease) in Net Assets From:	
Operations:	
Net investment income (loss)	\$ 128,173
Net realized gain (loss)	(1,298,105)
Change in net unrealized appreciation/depreciation	349,951
Net increase (decrease) in net assets resulting from operations	<u>(819,981)</u>
Distributions to Shareholders:	
Net distributions to shareholders	<u>—</u>
Capital Share Transactions:	
Net increase (decrease) in net assets derived from net change in outstanding shares ⁽²⁾	<u>23,729,900</u>
Total increase (decrease) in net assets	<u>22,909,919</u>
Net Assets:	
Beginning of period	<u>—</u>
End of period	<u>\$ 22,909,919</u>

⁽¹⁾ The Fund commenced operations on February 7, 2023. The information presented is from February 7, 2023 to July 31, 2023

⁽²⁾ Summary of share transactions is as follows:

	Period Ended July 31, 2023⁽¹⁾ (Unaudited)	
	Shares	Value
Shares sold	1,325,000	\$ 25,063,735
Shares redeemed	(75,000)	(1,344,585)
Variable fees	—	10,750
Net increase (decrease)	<u>1,250,000</u>	<u>\$ 23,729,900</u>

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CONSOLIDATED FINANCIAL HIGHLIGHTS For a capital share outstanding throughout the period

	Period Ended July 31, 2023⁽¹⁾ (Unaudited)
Net asset value, beginning of period	\$ 20.00
Income (Loss) from Investment Operations:	
Net investment income (loss) ⁽²⁾	0.17
Net realized and unrealized gain (loss) on investments	(1.84)
Total from investment operations	<u>(1.67)</u>
Net asset value, end of period	<u>\$ 18.33</u>
Total return ⁽³⁾⁽⁴⁾	<u>(8.37)%</u>
Ratios / Supplemental Data:	
Net assets, end of period (millions)	\$ 22.9
Portfolio turnover rate ⁽³⁾	41%
Ratio of expenses to average net assets ⁽⁵⁾⁽⁶⁾	1.03%
Ratio of net investment income (loss) to average net assets ⁽⁵⁾⁽⁷⁾	1.96%

⁽¹⁾ The Fund commenced operations on February 7, 2023. The information presented is from February 7, 2023 to July 31, 2023.

⁽²⁾ Calculated using average shares outstanding method.

⁽³⁾ Not annualized.

⁽⁴⁾ The total return is based on the Fund's net asset value.

⁽⁵⁾ Annualized.

⁽⁶⁾ The ratio of expenses to average net assets includes interest expense on futures contracts. The expense ratios excluding interest expense on futures was 0.95% for the period ended July 31, 2023.

⁽⁷⁾ The ratio of net investment income (loss) to average net assets includes interest expense on futures contracts.

Return Stacked Bonds & Managed Futures ETF

NOTES TO FINANCIAL STATEMENTS July 31, 2023 (Unaudited)

NOTE 1 – ORGANIZATION

The Return Stacked Bonds & Managed Futures ETF (the “Fund”) is a non-diversified series of the Tidal Trust II (the “Trust”). The Trust was organized as a Delaware statutory trust on January 13, 2022. The Trust is registered with the Securities and Exchange Commission (“SEC”) under the Investment Company Act of 1940, as amended (the “1940 Act”), as an open-end management investment company and the offering of the Fund’s shares is registered under the Securities Act of 1933, as amended. The Trust is governed by the Board of Trustees (the “Board”). Toroso Investments, LLC (“Toroso” or the “Adviser”), a Tidal Financial Group company, serves as investment adviser to the Fund and Newfound Research LLC (the “Sub-Adviser” serves as sub-adviser to the Fund. The Fund is considered diversified under the 1940 Act. The Fund is an investment company and accordingly follows the investment company accounting and reporting guidance of the Financial Accounting Standards Board (“FASB”) Accounting Standard Codification Topic 946 “Financial Services – Investment Companies” including FASB Accounting Standard Update (“ASU”) 2013-08. The Fund commenced operations on February 7, 2023.

The investment objective of the Fund is to seek long term capital appreciation.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies consistently followed by the Fund. These policies are in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

- A. *Security Valuation.* Equity securities that are listed on a securities exchange, market or automated quotation system for which quotations are readily available (except for securities traded on the New York Stock Exchange (“NYSE”)), including securities traded over the counter, are valued at the last quoted sale price on the primary exchange or market (foreign or domestic) on which they are traded on the valuation date (or at approximately 4:00 p.m. EST if a security’s primary exchange is normally open at that time), or, if there is no such reported sale on the valuation date, at the most recent quoted bid price or mean between the most recent quoted bid and ask prices for long and short positions. For a security that trades on multiple exchanges, the primary exchange will generally be considered the exchange on which the security is generally most actively traded. For securities traded on NYSE, the NYSE Official Closing Price will be used. Prices of securities traded on the securities exchange will be obtained from recognized independent pricing agents (“Independent Pricing Agents”) each day that the Fund is open for business.

Effective September 8, 2022, for securities for which quotations are not readily available, under Rule 2a-5 of the 1940 Act, a fair value will be determined by the Valuation Designee (as defined in Rule 2a-5) in accordance with the Pricing and Valuation Policy and Fair Value Procedures, as applicable, of the Adviser, subject to oversight by the Board. When a security is “fair valued,” consideration is given to the facts and circumstances relevant to the particular situation, including a review of various factors set forth in the Adviser’s Pricing and Valuation Policy and Fair Value Procedures, as applicable. Fair value pricing is an inherently subjective process, and no single standard exists for determining fair value. Different funds could reasonably arrive at different values for the same security. The use of fair value pricing by a funds may cause the net asset value (“NAV”) of its shares to differ significantly from the NAV that would be calculated without regard to such considerations. As described above, the Fund utilizes various methods to measure the fair value of its investments on a recurring basis. U.S. GAAP establishes a hierarchy that prioritizes inputs to valuation methods. The three levels of inputs are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities that the Fund has the ability to access.
- Level 2 – Observable inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These inputs may include quoted prices for the identical instrument on an inactive market, prices for similar instruments, interest rates, prepayment speeds, credit risk, yield curves, default rates and similar data.
- Level 3 – Unobservable inputs for the asset or liability, to the extent relevant observable inputs are not available; representing the Fund’s own assumptions about the assumptions a market participant would use in valuing the asset or liability and would be based on the best information available.

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NOTES TO FINANCIAL STATEMENTS July 31, 2023 (Unaudited) (Continued)

The availability of observable inputs can vary from security to security and is affected by a wide variety of factors, including, for example, the type of security, whether the security is new and not yet established in the marketplace, the liquidity of markets, and other characteristics particular to the security. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3.

The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement falls in its entirety, is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

The following is a summary of the inputs used to value the Fund's investments as of July 31, 2023:

Investments in Securities	Level 1	Level 2	Level 3	Total
Exchange Traded Funds	\$ 11,445,654	\$ —	\$ —	\$ 11,445,654
Short-Term Investments	8,599,612	—	—	8,599,612
Total Investments in Securities	<u>\$ 20,045,266</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 20,045,266</u>
Other Financial Instruments⁽¹⁾	Level 1	Level 2	Level 3	Total
Long Futures Contracts	\$ 388,546	\$ —	\$ —	\$ 388,546
Short Futures Contracts	(24,721)	—	—	(24,721)
Total Futures Contracts	<u>\$ 363,825</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 363,825</u>

⁽¹⁾ Other Financial Instruments are derivative instruments not reflected in the Schedule of Investments, such as futures contracts, which are presented at the unrealized appreciation/depreciation on the investment.

B. *Derivative Investments.*

The Fund has provided additional disclosures below regarding derivatives and hedging activity intending to improve financial reporting by enabling investors to understand how and why the Fund uses futures contracts (a type of derivative), how they are accounted for and how they affect an entity's results of operations and financial position. The Fund may use derivatives for risk management purposes or as part of their investment strategies. Derivatives are financial contracts whose values depend on, or are derived from, the value of an underlying asset, reference rate or index. The Fund may use derivatives to earn income and enhance returns, to hedge or adjust the risk profile of its portfolio, to replace more traditional direct investments and to obtain exposure to otherwise inaccessible markets.

The average notional amount for futures contracts is based on the monthly notional amounts. The notional amount for futures contracts represents the U.S. dollar value of the contract as of the day of opening the transaction or latest contract reset date. The Fund's average notional value of futures contracts outstanding during the period ended July 31, 2023, was \$(7,863,751). The following tables show the effects of derivative instruments on the financial statements.

Statement of Assets and Liabilities

Fair value of derivative instruments as of July 31, 2023:

Instrument	Asset Derivatives		Liability Derivatives	
	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Futures	Collateral at broker for futures (see Statement of Assets and Liabilities)	\$ 2,957,684	Collateral at broker for futures (see Statement of Assets and Liabilities)	\$ —

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NOTES TO FINANCIAL STATEMENTS July 31, 2023 (Unaudited) (Continued)

Statement of Operations

The effect of derivative instruments on the Statement of Operations for the period ended July 31, 2023:

Instrument	Location of Gain (Loss) on Derivatives Recognized in Income	Realized Gain (Loss) on Derivatives Recognized in Income	Change in Unrealized Appreciation/Depreciation on Derivatives Recognized in Income
Futures	Net Realized and Unrealized Gain (Loss)	\$ (1,256,891)	\$ 363,825

- A. *Federal Income Taxes.* The Fund has elected to be taxed as a “regulated investment company” and intends to distribute substantially all taxable income to its shareholders and otherwise comply with the provisions of the Internal Revenue Code applicable to regulated investment companies. Therefore, no provision for federal income taxes or excise taxes has been made.

In order to avoid imposition of the excise tax applicable to regulated investment companies, the Fund intends to declare as dividends in each calendar year at least 98.0% of its net investment income (earned during the calendar year) and at least 98.2% of its net realized capital gains (earned during the twelve months ended October 31) plus undistributed amounts, if any, from prior years.

As of July 31, 2023, the Fund did not have any tax positions that did not meet the threshold of being sustained by the applicable tax authority. Generally, tax authorities can examine all the tax returns filed for the last three years. The Fund identifies its major tax jurisdiction as U.S. Federal and the Commonwealth of Delaware; however, the Fund is not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will change materially. The Subsidiary is an exempted Cayman investment company and as such is not subject to Cayman Island taxes at the present time. For U.S. income tax purposes, the Subsidiary is a controlled foreign corporation not subject to U.S. income taxes. As a wholly-owned controlled foreign corporation, the Subsidiary’s net income and capital gains, if any, will be included each year in the Fund’s investment company taxable income. The Fund recognizes interest and penalties, if any, related to unrecognized tax benefits on uncertain tax positions as income tax expense in the Statement of Operations.

- B. *Securities Transactions and Investment Income.* Investment securities transactions are accounted for on the trade date. Gains and losses realized on sales of securities are determined on a specific identification basis. Discounts/premiums on debt securities purchased are accreted/amortized over the life of the respective securities using the effective interest method. Dividend income is recorded on the ex-dividend date. Dividends received from REITs generally are comprised of ordinary income, capital gains, and may include return of capital. Debt income is recorded on an accrual basis. Other non-cash dividends are recognized as investment income at the fair value of the property received. Withholding taxes on foreign dividends have been provided for in accordance with the Trust’s understanding of the applicable country’s tax rules and rates.
- C. *Futures Contracts.* The Fund may purchase futures contracts to gain long exposure to long-term U.S. Treasury bonds. The purchase of futures contracts may be more efficient or cost-effective than buying the underlying securities or assets. A futures contract is an agreement that obligates the buyer to buy and the seller to sell a specified quantity of an underlying asset (or settle for cash the value of a contract based on an underlying asset, rate, or index) at a specific price on the contract maturity date. Upon entering into a futures contract, the Fund are required to pledge to the counterparty an amount of cash, U.S. Government securities or other high-quality debt securities equal to the minimum “initial margin” requirements of the exchange or the broker. Pursuant to a contract entered into with a futures commission merchant, the Fund agree to receive from or pay to the firm an amount of cash equal to the cumulative daily fluctuation in the value of the contract. Such receipts or payments are known as “variation margin” and are recorded by the Fund as unrealized gains or losses. When the contract is closed, the Fund record a gain or loss equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed. The Fund will cover their current obligations under futures contracts by the segregation of liquid assets or by entering into offsetting transactions or owning positions covering its obligations. The Fund’ use of futures contracts may involve risks that are different from, or possibly greater than, the risk associated with investing directly in securities or other more traditional instruments. These risks include the risk that the value of the futures contracts may not correlate perfectly, or at all, with the value of the assets, reference rates, or indices that they are designed to track.

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NOTES TO FINANCIAL STATEMENTS July 31, 2023 (Unaudited) (Continued)

Other risks include: an illiquid secondary market for a particular instrument and possible exchange-imposed price fluctuation limits, either of which may make it difficult or impossible to close out a position when desired; the risk that adverse price movements in an instrument can result in a loss substantially greater than a Fund's initial investment in that instrument (in some cases, the potential loss is unlimited); and the risk that a counterparty will not perform its obligations. The Fund had futures contracts activity during the period ended July 31, 2023. Realized and unrealized gains and losses are included in the Statement of Operations. The futures contracts held by the Fund are exchange-traded with PhillipCapital, Inc. acting as the futures commission merchant.

- D. *Offsetting Agreements.* The Fund are subject to various netting arrangements, which govern the terms of certain transactions with counterparties. The arrangements allow a Fund to close out and net its total exposure to a counterparty in the event of a default with respect to all transactions governed under a single agreement with a counterparty. The following tables represent derivative financial statements that are subject to enforceable netting agreements, collateral arrangements, or other similar agreements as of July 31, 2023.

Basis for Consolidation for the Fund. The Fund may invest up to 25% of its total assets in the ReSolve Asset Management SEZC Cayman Subsidiary (the "Subsidiary"). The Subsidiary will generally invest in futures contracts that do not generate "qualifying income" under the source of income test required to qualify as a regulated investment company ("RIC") under Subchapter M of the Internal Revenue Code of 1986, as amended (the "Code"). Unlike the Fund, the Subsidiary may invest without limitation in futures contracts; however, the Subsidiary will comply with the same Investment Company Act of 1940, as amended (the "1940 Act"), requirements that are applicable to the Fund's transactions in derivatives. In addition, the Subsidiary will be subject to the same fundamental investment restrictions and will follow the same compliance policies and procedures as the Fund. Unlike the Fund, the Subsidiary will not seek to qualify as a RIC under the Code. The Fund is the sole investor in the Subsidiary and does not expect the shares of the Subsidiary to be offered or sold to other investors. The Net Assets and % of the Fund for the Subsidiary as of July 31, 2023 were as follows:

	Gross Amounts	Gross Amounts Offset in the Statement of Assets and Liabilities	Net Amounts Presented in the Statements of Assets and Liabilities	Financial Instruments	Cash Collateral Pledged (Received)	Net Amount
Assets						
Futures Contracts	\$ 2,957,684	\$ 2,957,684	\$ —	\$ —	\$ —	\$ 2,957,684
Liabilities						
Futures Contracts	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —

- E. *Derivatives Transactions.* On October 28, 2020, the SEC adopted new regulations governing the use of derivatives by registered investment companies as Rule 18f-4 under the 1940 Act ("Rule 18f-4"). Rule 18f-4 imposes limits on the amount of derivatives a fund can enter into, eliminates the asset segregation and cover framework arising from prior SEC guidance for covering derivatives and certain financial instruments currently used by funds to comply with Section 18 of the 1940 Act and treats derivatives as senior securities. Under Rule 18f-4 a fund's derivatives exposure is limited through a value-at-risk test. Funds whose use of derivatives is more than a limited specified exposure amount are required to establish and maintain a comprehensive derivatives risk management program, subject to oversight by a fund's board of trustees, and appoint a derivatives risk manager. The Trust implemented a Rule 18f-4 Derivative Risk Management Program effective January 30, 2023, that complies with Rule 18f-4.

The Fund has adopted authoritative standards regarding disclosure about derivatives and hedging activities and how they affect the Fund's Consolidated Statement of Assets and Liabilities and Consolidated Statement of Operations.

- F. *Deposits at Broker for Futures.* Deposits at broker for futures represents amounts that are held by third parties under certain of the Fund's derivative transactions. Such cash is excluded from cash and equivalents in the Statement of Assets and Liabilities.
- G. *Distributions to Shareholders.* Distributions to shareholders from net investment income, if any, for the Fund are declared and paid monthly. Distributions to shareholders from net realized gains on securities, if any, for the Fund normally are declared and paid on an annual basis. Distributions are recorded on the ex-dividend date.

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NOTES TO FINANCIAL STATEMENTS July 31, 2023 (Unaudited) (Continued)

- H. *Use of Estimates.* The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amount of revenue and expenses during the reporting period. Actual results could differ from those estimates.
- I. *Share Valuation.* The NAV per share of the Fund is calculated by dividing the sum of the value of the securities held by the Fund, plus cash or other assets, minus all liabilities by the total number of shares outstanding for the Fund, rounded to the nearest cent. The Fund's shares will not be priced on the days on which the New York Stock Exchange ("NYSE") is closed for trading.
- J. *Guarantees and Indemnifications.* In the normal course of business, the Fund enters into contracts with service providers that contain general indemnification clauses. The Fund's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Fund that have not yet occurred. However, based on experience, the Fund expects the risk of loss to be remote.
- K. *Illiquid Securities.* Pursuant to Rule 22e-4 under the 1940 Act, the Fund has adopted a Board-approved Liquidity Risk Management Program (the "Program") that requires, among other things, that the Fund limit its illiquid investments that are assets to no more than 15% of the value of the Fund's net assets. An illiquid investment is any security that the Fund reasonably expects cannot be sold or disposed of in current market conditions in seven calendar days or less without the sale or disposition significantly changing the market value of the investment. If the Fund should be in a position where the value of illiquid investments held by the Fund exceeds 15% of the Fund's net assets, the Fund will take such steps as set forth in the Program.
- L. *Recently Issued Accounting Pronouncements.*
- In June 2022, the FASB issued Accounting Standards Update 2022-03, which amends Fair Value Measurement (Topic 820): Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions ("ASU 2022-03"). ASU 2022-03 clarifies guidance for fair value measurement of an equity security subject to a contractual sale restriction and establishes new disclosure requirements for such equity securities. ASU 2022-03 is effective for fiscal years beginning after December 15, 2023 and for interim periods within those fiscal years, with early adoption permitted. Management is currently evaluating the impact of these amendments on the financial statements.
 - In December 2022, the Financial Accounting Standards Board issued an Accounting Standards Update, ASU 2022-06, Reference Rate Reform (Topic 848) – Deferral of the Sunset Date of Topic 848 ("ASU 2022-06"). ASU 2022-06 is an amendment to ASU 2020-04, which provided optional guidance to ease the potential accounting burden due to the discontinuation of the LIBOR and other interbank-offered based reference rates and which was effective as of March 12, 2020 through December 31, 2022. ASU 2022-06 extends the effective period through December 31, 2024. The Fund is currently evaluating the impact, if any, of applying ASU 2022-06.
- M. *Other Regulatory Matters.* In October 2022, the Securities and Exchange Commission (the "SEC") adopted a final rule relating to Tailored Shareholder Reports for Mutual Funds and Exchange-Traded Funds; Fee Information in Investment Company Advertisements. The rule and form amendments will, among other things, require funds to transmit concise and visually engaging shareholder reports that highlight key information. The amendments will require that funds tag information in a structured data format and that certain more in-depth information be made available online and available for delivery free of charge to investors on request. The amendments became effective January 24, 2023. There is an 18-month transition period after the effective date of the amendment.

NOTE 3 – PRINCIPAL INVESTMENT RISKS

As with any investment, there is a risk that you could lose all or a portion of your principal investment in the Fund. The Fund is subject to principal risks which may adversely affect the Fund's NAV, trading price, yield, total return and/or ability to meet its objective. For more information about the risks of investing in the Fund, see the section in the Fund's Prospectus titled "Additional Information About the Fund — Principal Risks of Investing in The Fund."

NOTE 4 – COMMITMENTS AND OTHER RELATED PARTY TRANSACTIONS

The Adviser serves as investment adviser to the Fund and has overall responsibility for the general management and administration of the Fund pursuant to an investment advisory agreement with the Trust, on behalf of the Fund (the "Advisory Agreement"). The Adviser provides oversight of the Sub-Adviser and review of the Sub-Adviser's performance. The Adviser is also responsible for trading portfolio

Return Stacked Bonds & Managed Futures ETF

NOTES TO FINANCIAL STATEMENTS July 31, 2023 (Unaudited) (Continued)

securities for the Fund, including selecting broker-dealers to execute purchase and sale transactions. The Adviser also arranges for sub-advisory, transfer agency, custody, fund administration, and all other related services necessary for the Fund to operate. For the services it provides to the Fund, the Fund pays the Adviser a unitary management fee, which is calculated daily and paid monthly, at an annual rate of 0.95% of the Fund's average daily net assets.

Under the Advisory Agreement, the Adviser has agreed to pay all expenses incurred by the Fund except for interest charges on any borrowings, dividends and other expenses on securities sold short, taxes, brokerage commissions and other expenses incurred in placing orders for the purchase and sale of securities and other investment instruments, acquired fund fees and expenses, accrued deferred tax liability, distribution fees and expenses paid by the Fund under any distribution plan adopted pursuant to Rule 12b-1 under the Investment Company Act of 1940 Act, as amended (the "1940 Act"), litigation expenses, non-routine or extraordinary expenses, and the unitary management fee payable to the Adviser (collectively, the "Excluded Expenses").

The Sub-Adviser is responsible for the day-to-day management of the Fund's portfolio, including determining the securities purchased and sold by the Fund, subject to the supervision of the Adviser and the Board. For its services, the Sub-Adviser is paid a fee by the Adviser, which fee is calculated daily and paid month, at an annual rate of 0.04% of the Fund's average daily net assets. The Sub-Adviser has agreed to assume the Adviser's obligation to pay all expenses by the Fund, except for the sub-advisory fee payable to the Sub-Adviser and Excluded Expenses. Such expenses incurred by the Fund and paid by the Sub-Adviser include fees charged by Tidal.

Tidal ETF Services LLC ("Tidal"), a Tidal Financial Group company and an affiliate of the Adviser, serves as the Fund's administrator and, in that capacity, performs various administrative and management services for the Fund. Tidal coordinates the payment of Fund related expenses and manages the Trust's relationships with its various service providers.

U.S. Bancorp Fund Services, LLC, doing business as U.S. Bank Global Fund Services ("Fund Services"), serves as the Fund's sub-administrator, fund accountant and transfer agent. In those capacities Fund Services performs various administrative and accounting services for the Fund. Fund Services prepares various federal and state regulatory filings, reports and returns for the Fund, including regulatory compliance monitoring and financial reporting; prepares reports and materials to be supplied to the Board; and monitors the activities of the Fund's custodian U.S. Bank N.A. (the "Custodian"), an affiliate of Fund Services, serves as the Fund's custodian.

Foreside Fund Services, LLC (the "Distributor") acts as the Fund's principal underwriter in a continuous public offering of the Fund's shares.

Certain officers and a trustee of the Trust are affiliated with the Adviser. Neither the affiliated trustee nor the Trust's officers receive compensation from the Fund.

NOTE 5 – PURCHASES AND SALES OF SECURITIES

For the period ended July 31, 2023, the cost of purchases and proceeds from the sales or maturities of securities, excluding short-term investments, U.S. government securities, and in-kind transactions were \$15,739,287 and \$3,217,734, respectively.

For the period ended July 31, 2023, there were no purchases and sales of long-term U.S. government securities.

For the period ended July 31, 2023, there were no in-kind transactions associated with creations and redemptions for the Fund.

NOTE 6 – INCOME TAXES AND DISTRIBUTIONS TO SHAREHOLDERS

The Fund is subject to examination by U.S. taxing authorities for the tax periods since the commencement of operations. The amount and character of tax basis distributions and composition of net assets, including distributable (accumulated) net investment income (loss), are finalized at the fiscal year-end; accordingly, tax basis balances have not been determined for the period ended July 31, 2023. Differences between the tax cost of investments and the cost noted in the Schedule of Investments will be determined at fiscal year-end. During the period ended July 31, 2023, there were no distributions paid.

NOTE 7 – SHARE TRANSACTIONS

Shares of the Fund are listed and traded on the Exchange. Market prices for the shares may be different from their NAV. The Fund issues and redeems shares on a continuous basis at NAV generally in large blocks of shares, called "Creation Units." Creation Units are issued and redeemed principally in-kind for securities included in a specified universe. Once created, shares generally trade in the

Return Stacked Bonds & Managed Futures ETF

NOTES TO FINANCIAL STATEMENTS July 31, 2023 (Unaudited) (Continued)

secondary market at market prices that change throughout the day. Except when aggregated in Creation Units, shares are not redeemable securities of the Fund. Creation Units may only be purchased or redeemed by Authorized Participants. An Authorized Participant is either (i) a broker-dealer or other participant in the clearing process through the Continuous Net Settlement System of the National Securities Clearing Corporation or (ii) a Depository Trust Company participant and, in each case, must have executed a Participant Agreement with the Distributor. Most retail investors do not qualify as Authorized Participants nor have the resources to buy and sell whole Creation Units. Therefore, they are unable to purchase or redeem the shares directly from the Fund. Rather, most retail investors may purchase shares in the secondary market with the assistance of a broker and are subject to customary brokerage commissions or fees.

The Fund currently offers one class of shares, which has no front-end sales load, no deferred sales charge, and no redemption fee. A fixed transaction fee is imposed for the transfer and other transaction costs associated with the purchase or sale of Creation Units. The standard fixed transaction fee for the Fund is \$300, payable to the Custodian. The fixed transaction fee may be waived on certain orders if the Fund's Custodian has determined to waive some or all of the costs associated with the order or another party, such as the Adviser, has agreed to pay such fee. In addition, a variable fee may be charged on all cash transactions or substitutes for Creation Units of up to a maximum of 2% and for Redemption Units of up to a maximum of 2%, respectively, of the value of the Creation Units and Redemption Units subject to the transaction. Variable fees received by the Fund, if any, are disclosed in the capital shares transactions section of the Statements of Changes in Net Assets. The Fund may issue an unlimited number of shares of beneficial interest, with no par value. All shares of the Fund have equal rights and privileges.

NOTE 8 – RECENT MARKET EVENTS

U.S. and international markets have experienced and may continue to experience significant periods of volatility in recent years and months due to a number of economic, political and global macro factors including rising inflation, uncertainty regarding central banks' interest rate increases, the possibility of a national or global recession, trade tensions, political events, the war between Russia and Ukraine and the impact of the corona virus (COVID-19) global pandemic. The global recovery from COVID-19 may last for an extended period of time. As a result of continuing political tensions and armed conflicts, including the war between Ukraine and Russia, the U.S. and the European Union imposed sanctions on certain Russian individuals and companies, including certain financial institutions, and have limited certain exports and imports to and from Russia. The war has contributed to recent market volatility and may continue to do so. These developments, as well as other events, could result in further market volatility and negatively affect financial asset prices, the liquidity of certain securities and the normal operations of securities exchanges and other markets, despite government efforts to address market disruptions. Continuing market volatility as a result of recent market conditions or other events may have adverse effects on your account.

NOTE 9 – SUBSEQUENT EVENTS

In preparing these financial statements, the Fund has evaluated events and transactions for potential recognition or disclosure through the date the financial statements were issued. The Fund has determined that there are no subsequent events that would need to be disclosed in the Fund's financial statements.

Return Stacked Bonds & Managed Futures ETF

APPROVAL OF ADVISORY, SUB-ADVISORY AND FUTURES TRADING ADVISORY AGREEMENTS AND BOARD CONSIDERATIONS

Pursuant to Section 15(c) of the Investment Company Act of 1940 (the “1940 Act”), at a meeting held on January 30, 2023, the Board of Trustees (the “Board”) of Tidal Trust II (the “Trust”) considered the approval of:

- the Investment Advisory Agreement (the “Advisory Agreement”) between Toroso Investments, LLC (the “Adviser”) and the Trust, on behalf of each New Fund;
- an Investment Sub-Advisory Agreement (the “Sub-Advisory Agreement”) between the Adviser and Newfound Research LLC (“Newfound” or the “Sub-Adviser”) with respect to the New Funds;
- a Futures Trading Advisory Agreement (the “Futures Trading Advisory Agreement”) between the Adviser and ReSolve Asset Management SEZC (Cayman) (“ReSolve” of the “Futures Trading Adviser”) with respect to the Return Stacked™ Bonds & Managed Futures ETF;
- an Investment Advisory Agreement between the Return Stacked Cayman Subsidiary and the Adviser; and
- a Futures Trading Advisory Agreement between the Adviser and ReSolve with respect to the Return Stacked Cayman Subsidiary (together all referred to as the “Agreements”).

Pursuant to Section 15 of the 1940 Act, the Agreements must be approved by the vote of a majority of the Trustees who are not parties to the Agreements or “interested persons” of any party thereto, as defined in the 1940 Act (the “Independent Trustees”), cast in person at a meeting called for the purpose of voting on such approval. In preparation for such meeting, the Board requested and reviewed a wide variety of information from the Adviser, Sub-Adviser and Futures Trading Adviser.

In reaching its decision, the Board, including the Independent Trustees, considered all factors it believed relevant, including: (i) the nature, extent and quality of the services to be provided to each New Fund’s shareholders by the Adviser, Sub-Adviser and Futures Trading Adviser (with respect to the Return Stacked™ Bonds & Managed Futures ETF and Return Stacked Cayman Subsidiary); (ii) the costs of the services to be provided and the profits to be realized by the Adviser, Sub-Adviser and Futures Trading Adviser (with respect to the Return Stacked™ Bonds & Managed Futures ETF and Return Stacked Cayman Subsidiary) from services to be provided to the New Funds, including any fall-out benefits; (iv) comparative fee and expense data for each New Fund in relation to other investment companies with similar investment objectives; (v) the extent to which economies of scale would be realized as each New Fund grows and whether the advisory fees for the New Fund reflects these economies of scale for the benefit of the New Fund; and (vi) other financial benefits to the Adviser, Sub-Adviser or Futures Trading Adviser (with respect to the Return Stacked™ Bonds & Managed Futures ETF and Return Stacked Cayman Subsidiary) and their affiliates resulting from services rendered to the New Funds. The Board’s review included written and oral information furnished to the Board prior to and at the meeting held on January 30, 2023. Among other things, each of the Adviser, Sub-Adviser and Futures Trading Adviser provided responses to a detailed series of questions, which included information about the Adviser’s, Sub-Adviser’s and Futures Trading Adviser’s operations, service offerings, personnel, compliance program and financial condition. The Board then discussed the written and oral information that it received before the meeting, and the oral presentations and any other information that the Board received at the meeting, and deliberated on the renewal of the Agreements in light of this information.

The Independent Trustees were assisted throughout the contract review process by independent legal counsel. The Independent Trustees relied upon the advice of such counsel and their own business judgment in determining the material factors to be considered in evaluating the renewal of the Agreements, and the weight to be given to each such factor. The conclusions reached with respect to the Agreements were based on a comprehensive evaluation of all the information provided and not any single factor. Moreover, each Trustee may have placed varying emphasis on particular factors in reaching conclusions with respect to each New Fund. The Independent Trustees conferred amongst themselves and independent legal counsel in executive sessions both with and without representatives of management.

Nature, Extent and Quality of Services to be Provided. The Trustees considered the scope of services to be provided under the Advisory Agreements, Sub-Advisory Agreement and Futures Trading Advisory Agreements. In considering the nature, extent and quality of the services to be provided by the Adviser, Sub-Adviser and Futures Trading Adviser (with respect to the Return Stacked™ Bonds & Managed Futures ETF and Return Stacked Cayman Subsidiary), the Board reviewed the Adviser’s, Sub-Adviser’s and Futures Trading Adviser’s compliance infrastructure and financial strength and resources. The Board also considered the experience of the personnel of the Adviser, Sub-Adviser and Futures Trading Adviser working with ETFs. The Board also considered other services to be provided to the New Funds by the Adviser, Sub-Adviser and Futures Trading Adviser, such as selecting broker-dealers for executing portfolio transactions, monitoring adherence to each New Fund’s investment restrictions, and monitoring compliance with various Fund policies and procedures and with applicable securities regulations. Based on the factors above, as well as those discussed below, the Board concluded that it was

Return Stacked Bonds & Managed Futures ETF

APPROVAL OF ADVISORY, SUB-ADVISORY AND FUTURES TRADING ADVISORY AGREEMENTS AND BOARD CONSIDERATIONS (Continued)

satisfied with the nature, extent and quality of the services to be provided to each New Fund by the Adviser, Sub-Adviser and Futures Trading Adviser (with respect to the Return Stacked™ Bonds & Managed Futures ETF and Return Stacked Cayman Subsidiary) based on their experience, personnel, operations and resources.

Historical Performance. The Board noted that the New Funds had not yet commenced operations and that therefore there was no prior performance to review.

Cost of Services Provided, Profitability and Economies of Scale. The Board reviewed the proposed advisory fees for each New Fund and compared them to the management fees and total operating expenses of its Morningstar peer group. The Board noted that the comparisons to the total expense ratios were the most relevant comparisons, given the fact that the advisory fee for each New Fund is a “unified fee.”

The Board noted the importance of the fact that the proposed advisory fee for each New Fund is a “unified fee,” meaning that the shareholders of the Fund pay no expenses except for interest charges on any borrowings, dividends and other expenses on securities sold short, taxes, brokerage commissions and other expenses incurred in placing orders for the purchase and sale of securities and other investment instruments, acquired fund fees and expenses, accrued deferred tax liability, distribution fees and expenses paid by the Fund under any distribution plan adopted pursuant to Rule 12b-1 under the Investment Company Act of 1940 Act, as amended (the “1940 Act”), litigation expenses, non-routine or extraordinary expenses, and the unitary management fee payable to the Adviser. The Board also noted that the Adviser was responsible for compensating the Trust’s other service providers and paying the New Fund’s other expenses (except as noted above) out of its own fees and resources. The Board further noted that because the New Funds are new, it was difficult to estimate the profitability of each New Fund to the Adviser. The Board, however, considered collateral or “fall-out” benefits that the Adviser and its affiliates may derive as a result of their relationship with the New Funds. The Board did note that the Adviser did not receive any additional compensation for serving as investment adviser to the Return Stacked Cayman Subsidiary.

The Board noted that because the New Funds are new, it also was difficult to estimate whether the Fund would experience economies of scale. The Board noted that the Adviser will review expenses as each New Fund’s assets grow. The Board determined to evaluate economies of scale on an ongoing basis if the New Funds achieved asset growth.

The Board also reviewed the proposed sub-advisory fee paid to the Sub-Adviser and the proposed fee to be paid to the Futures Trading Adviser (with respect to the Return Stacked™ Bonds & Managed Futures ETF and Return Stacked Cayman Subsidiary) for their services. The Board considered each of these fees in light of the services being provided. The Board determined that the proposed fees reflected an appropriate allocation of the advisory fee paid to the Adviser, Sub-Adviser and Futures Trading Adviser given the work performed by each firm. The Board also considered that Newfound and ReSolve were acting as sponsor for the New Funds and the Return Stacked™ Bonds & Managed Futures ETF, respectively, and had agreed to assume the payment of any fund expenses above the level of the unitary fee. The Board considered that pursuant to these arrangements, if fund expenses, including a payment to the adviser of a certain amount, fall below the level of the unitary fee, the adviser would pay any remaining portion of the unitary fee to the sponsor out of its profits. The Board concluded that the proposed fees were reasonable in light of the services rendered.

The Board also considered that the sub-advisory fee and futures trading advisory fee are paid to the Sub-Adviser and Futures Trading Adviser (with respect to the Return Stacked™ Bonds & Managed Futures ETF and Return Stacked Cayman Subsidiary) out of the Adviser’s unified fee and represents an arm’s-length negotiation between the Adviser and the Sub-Adviser and Futures Trading Adviser. For these reasons, the Trustees determined that the profitability to the Sub-Adviser and Futures Trading Adviser from their relationship with the respective New Funds was not a material factor in their deliberations with respect to consideration of approval of the Sub-Advisory Agreement and Futures Trading Agreements. The Board considered that, because these fees are paid by the Adviser out of its unified fee, any economies of scale would not benefit shareholders and, thus, were not relevant for the consideration of the approval of the sub-advisory fee.

Conclusion. No single factor was determinative to the decision of the Board. Based on the Board’s deliberations and its evaluation of the information described above and such other matters as were deemed relevant, the Board, including the Independent Trustees, unanimously: (a) concluded that the terms of each Agreement is fair and reasonable; (b) concluded that the Adviser’s, Sub-Adviser’s and Futures Trading Adviser’s fees are reasonable in light of the services that the Adviser, Sub-Adviser and Futures Trading Adviser will provide to each Fund; and (c) agreed to approve the Agreements for an initial term of two years.

Return Stacked Bonds & Managed Futures ETF

EXPENSE EXAMPLE For the Period Ended July 31, 2023 (Unaudited)

As a shareholder of the Fund, you incur two types of costs: (1) transaction costs, including brokerage commissions paid on purchases and sales of the Fund's shares, and (2) ongoing costs, including management fees of the Fund. The example is intended to help you understand your ongoing costs (in dollars) of investing in the Fund and to compare these costs with the ongoing costs of investing in other funds. The actual example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period indicated, which is from February 7, 2023 (commencement of operations) to July 31, 2023. The hypothetical example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period indicated, which is from February 1, 2023 to July 31, 2023.

Actual Expenses

The first line of the following table provides information about actual account values and actual expenses. The example includes, but is not limited to, unitary fees. However, the example does not include portfolio trading commissions and related expenses. You may use the information in this line, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then, multiply the result by the number in the first line under the heading entitled "Expenses Paid During the Period" to estimate the expenses you paid on your account during this period.

Hypothetical Example for Comparison Purposes

The second line of the following table provides information about hypothetical account values and hypothetical expenses based on the Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund's actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in the Fund and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other funds. Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs, such as brokerage commissions paid on purchases and sales of the Fund's shares. Therefore, the second line of the following table is useful in comparing ongoing costs only and will not help you determine the relative total costs of owning different funds. If these transactional costs were included, your costs would have been higher.

	Beginning Account Value February 7, 2023	Ending Account Value July 31, 2023	Expenses Paid During the Period February 7, 2023 – July 31, 2023
Actual ⁽¹⁾	\$ 1,000.00	\$ 916.30	\$ 4.70
	Beginning Account Value February 1, 2023	Ending Account Value July 31, 2023	Expenses Paid During the Period February 01, 2023 – July 31, 2023
Hypothetical (5% annual return before expenses) ⁽²⁾	\$ 1,000.00	\$ 1,019.69	\$ 5.16

⁽¹⁾ The actual expenses are equal to the Fund's annualized net expense ratio of 1.03%, multiplied by the average account value over the period, multiplied by 174/365 (to reflect the period from February 7, 2023, to July 31, 2023, the commencement of operations date to the end of the period).

⁽²⁾ The hypothetical expenses are equal to the Fund's annualized net expense ratio of 1.03%, multiplied by the average account value over the period, multiplied by 181/365 (to reflect the most recent six-month period).

Return Stacked Bonds & Managed Futures ETF

STATEMENT REGARDING LIQUIDITY RISK MANAGEMENT PROGRAM (Unaudited)

In accordance with Rule 22e-4 under the Investment Company Act of 1940, as amended (“Rule 22e-4”), Tidal Trust II (the “Trust”), on behalf of its series, the Return Stacked Bonds & Managed Futures ETF (the “Fund”), has adopted and implemented a liquidity risk management program (the “Program”). The Program seeks to promote effective liquidity risk management for the Fund and to protect the Fund’s shareholders from dilution of their interests. The Trust’s Board of Trustees (the “Board”) has approved the designation of Toroso Investments, LLC, the Fund’s investment adviser, as the program administrator (the “Program Administrator”). The Program Administrator has further delegated administration of the Program to a Program Administrator Committee composed of certain Trust officers. The Program Administrator has also delegated certain responsibilities under the Program to the investment sub-adviser of the Fund; however, the Program Administrator remains responsible for the overall administration and operation of the Program. The Program Administrator is required to provide a written annual report to the Board regarding the adequacy and effectiveness of the Program, including the operation of the highly liquid investment minimum, if applicable, and any material changes to the Program.

On November 21, 2022, the Board reviewed the Program Administrator’s written annual report for the period October 1, 2021 through September 30, 2022 (the “Report”). The Program assesses liquidity risk under both normal and reasonably foreseeable stressed market conditions. The risk is managed by monitoring the degree of liquidity of a Fund’s investments, limiting the amount of illiquid investments and utilizing various risk management tools and facilities available to a Fund, among other means. The Trust has engaged the services of ICE Data Services, a third-party vendor, to provide daily portfolio investment classification services to assist in the Program Administrator’s assessment. The Report noted that no material changes had been made to the Program during the review period. The Program Administrator determined that the Program is adequately designed and operating effectively.

The Return Stacked Bonds & Managed Futures ETF commenced operations on February 7, 2023 and was not part of the Report but has adopted the Program upon commencement of operations.

Return Stacked Bonds & Managed Futures ETF

ADDITIONAL INFORMATION

INFORMATION ABOUT PROXY VOTING (Unaudited)

A description of the policies and procedures that the Fund uses to determine how to vote proxies relating to portfolio securities is available upon request without charge, by calling (800) 867-5309 or by accessing the Fund's website at www.returnstackedetfs.com/return-stacked-bonds-managed-futures. Furthermore, you can obtain the description on the SEC's website at www.sec.gov.

Information regarding how the Fund voted proxies relating to portfolio securities during the most recent 12-months ending June 30 is available upon request without charge by calling (800) 867-5309 or by accessing the SEC's website at www.sec.gov.

INFORMATION ABOUT THE PORTFOLIO HOLDINGS (Unaudited)

The Fund's portfolio holdings are posted on the Fund's website daily at www.returnstackedetfs.com/return-stacked-bonds-managed-futures. The Fund files its complete schedule of portfolio holdings with the SEC for its first and third fiscal quarters on Part F of Form N-PORT. The Fund's Part F of Form N-PORT is available without charge, upon request, by calling (800) 867-5309. Furthermore, you can obtain the Part F of Form N-PORT on the SEC's website at www.sec.gov.

FREQUENCY DISTRIBUTION OF PREMIUMS AND DISCOUNTS (Unaudited)

Information regarding how often shares of the Fund trade on the exchange at a price above (i.e., at a premium) or below (i.e., at a discount) to its daily NAV is available, without charge, on the Fund's website at www.returnstackedetfs.com/return-stacked-bonds-managed-futures.

INFORMATION ABOUT THE FUND'S TRUSTEES (Unaudited)

The Statement of Additional Information ("SAI") includes additional information about the Fund's Trustees and is available without charge, upon request, by calling (800) 867-5309. Furthermore, you can obtain the SAI on the SEC's website at www.sec.gov or the Fund's website at www.returnstackedetfs.com/return-stacked-bonds-managed-futures.

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Fund Information

Fund	Ticker	CUSIP
Return Stacked Bonds & Managed Futures ETF	RSBT	88636J105