



ACRUENCE CAPITAL

Acruence Active Hedge U.S. Equity ETF
Ticker: XVOL

Annual Report
March 31, 2023

Acrucence Active Hedge U.S. Equity ETF

TABLE OF CONTENTS

A Message to our Shareholders	1
Performance Summary	3
Portfolio Allocation	4
Consolidated Schedule of Investments	5
Consolidated Schedule of Options Written	12
Consolidated Statement of Assets and Liabilities	13
Consolidated Statement of Operations	14
Consolidated Statement of Changes in Net Assets	15
Consolidated Financial Highlights	16
Notes to Consolidated Financial Statements	17
Report of Independent Registered Public Accounting Firm	27
Expense Example	28
Trustees and Executive Officers	29
Statement Regarding Liquidity Risk Management Program	31
Additional Information	32

Acruence Active Hedge U.S. Equity ETF

SHAREHOLDER LETTER

Market Commentary

U.S. labor markets continue to be secularly tight, while advancements in the Federal Reserve (the “Fed”) funds rate are doing everything but fighting supply-driven inflationary pressures. The Fed funds rate hit 5-5.25%, the treasury yield curve is as inverted as it’s been in decades. The Fed is attempting to be proactive instead of reactive when it comes to short-term rates, and only time will tell if they are successful. The Fed is applying measures used to slow down a growth market fueled by a booming credit market, except credit markets are as rocky as they’ve ever been. From the perspective of U.S. equity markets, the Information Technology sector led the way in Q1 2023 earnings, with strong profits driven by mass layoffs. However, future growth prospects are uncertain. Will the productivity gains from artificial intelligence (“AI”) be realized in the short term? Or will bottom line gains take longer to realize? Most tech firms mentioned AI between 40-200 times in this most recent earnings season. The S&P 500® returned 9.17% through April, The Russell 2000® returned only 0.88%. The divergence is even worse than it looks when reviewing the individual names that produced almost all the S&P 500® returns this year. The march towards unprofitability in the Russell 2000® continues.

The information presented in this report relates to the Fund’s performance for the fiscal year ended March 31, 2023 (the “fiscal year”).

The Acruence Active Hedge U.S. Equity ETF

The Acruence Active Hedge U.S. Equity ETF (“XVOL”) is an actively-managed exchange-traded fund that seeks capital appreciation with reduced volatility as compared to the S&P 500.

Fund Description:

XVOL, though actively-managed, invests at least 80% of its net assets in a portfolio of U.S. equity securities that replicates the constituents and weights of the S&P 500® Index, while seeking to deliver lower volatility by purchasing options contracts on the CBOE Volatility Index (“VIX Index”). An option gives investors the right to purchase or sell the underlying asset at a specified price, on a specified date in exchange for the premium paid. To determine the number of VIX options contracts to purchase, as well as its strike price and expiration date, the Fund utilizes a proprietary, volatility-based algorithm. This VIX options exposure is evaluated each month based on the level of forward-expected volatility in the S&P 500®, considering the VIX Index level and options price. The VIX Index estimates the expected level of volatility in the U.S. stock market (as reflected by the S&P 500®), forward-looking over 30 days. Overall, XVOL targets investors that seek to achieve high risk-adjusted returns.

Performance Overview:

During the fiscal year ended March 31, 2023, XVOL generated a total return of -10.18% (NAV) and -12.45% (Market). This compares to the -7.73% total return of the S&P 500® Total Return Index, for the same period.

From a sector perspective, based on performance attribution to the overall portfolio, there were no contributing sectors during the period, while Information Technology, Consumer Discretionary, and Financials were the leading detractors.

Reviewing individual stocks based on performance attribution to the overall portfolio, leading contributors included Merck, NVIDIA, and Gilead. Conversely, the leading detractors included Tesla, Amazon, and Microsoft. The VIX Index did not provide a good hedge to market downturn in the past year, therefore the options we purchased on the VIX Index produced negative performance.

Past performance does not guarantee future results.

Must be preceded or accompanied by a prospectus.

Investors buy and sell ETF shares through a brokerage account or an investment advisor. Like ordinary stocks, brokerage commissions, and/or transaction costs or service fees may apply. Please consult your broker or financial advisor for their fee schedule.

Effective April 28, 2023, the Fund’s principal investment strategies were revised to state that the Fund invests in a select group of approximately 40 to 80 equity securities that have characteristics most closely aligned with the Fund’s investment objective and to permit the Fund to use additional options strategies to reduce the Fund’s total equity exposure and reduce the volatility of the Fund’s portfolio.

Acrucence Active Hedge U.S. Equity ETF

SHAREHOLDER LETTER (Continued)

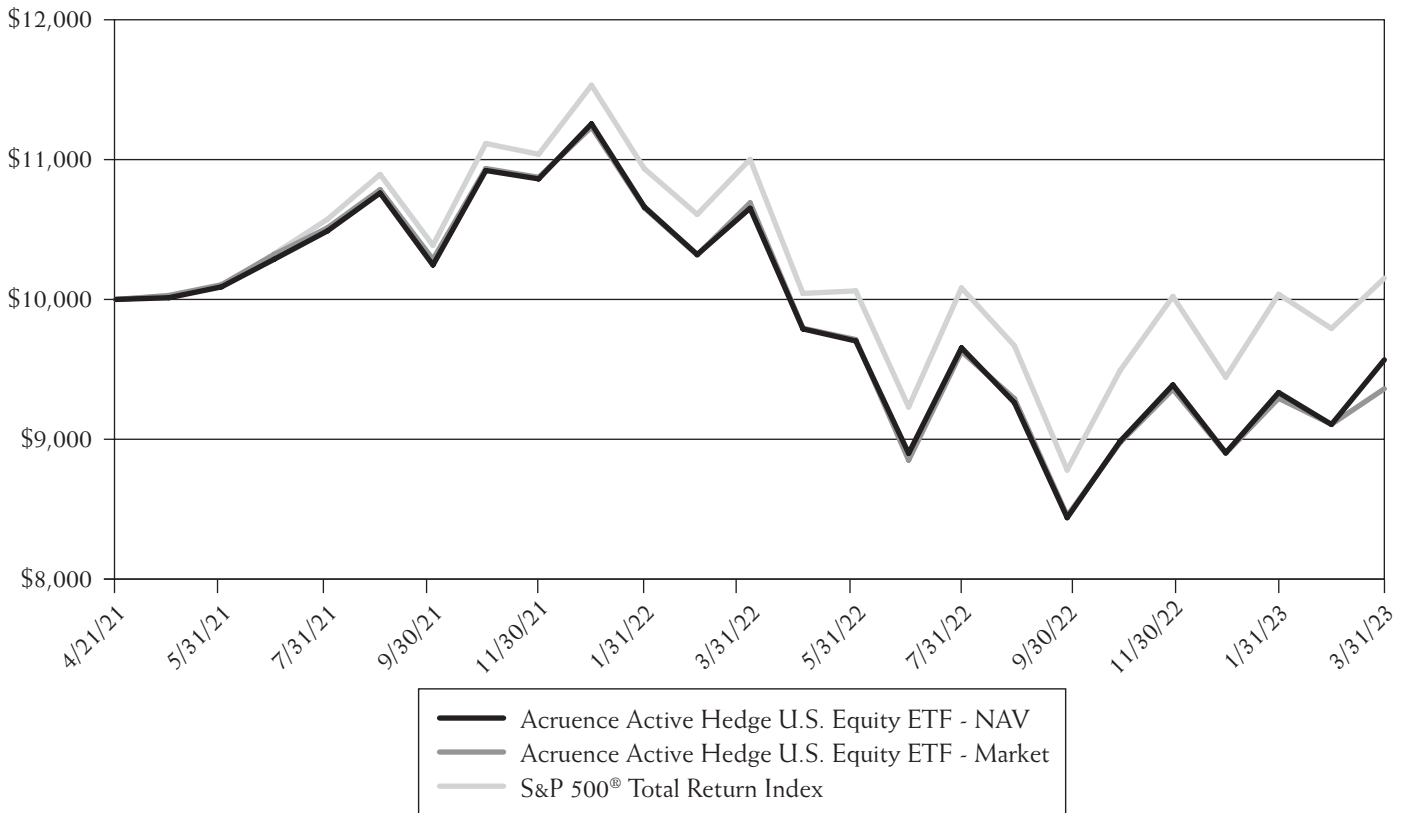
Options can be volatile and have a large impact on the performance of the Fund. There is a risk of loss of all or part of the cash paid (premium) for purchasing options and the value of the option may be lost if not exercised at or prior to expiration. One of the primary drivers of the value of a VIX option is movement in the spot value of the VIX Index, which is a measure of implied volatility of S&P 500 options. Therefore, changing market expectations of future volatility will lead to changes in the market value of VIX options. Because implied volatilities often rise during periods of market stress, the VIX Index is often negatively correlated to equity markets. The Fund is actively-managed and may not meet its investment objective based on the Sub-Adviser's (Acrucence Capital, LLC) success or failure to implement investment strategies for the Fund. The Fund is classified as non-diversified. Because it is non-diversified, it may hold large positions in a small number of securities. To the extent it maintains such positions; a price change in any one of those securities may have a greater impact on the Fund's share price than if it were diversified. The Fund is a recently organized management investment company with a limited operating history.

The S&P 500[®] Total Return Index is an index of 500 large-capitalization companies selected by Standard & Poor's Financial Services LLC.

Fund holdings are subject to change. Please see the Consolidated Schedule of Investments on page 5 for a complete list of Fund holdings.

Acruence Active Hedge U.S. Equity ETF

PERFORMANCE SUMMARY (Unaudited)



Annualized Returns for the Periods Ended March 31, 2023:

	1 Year	Since Inception (4/21/2021)	Ending Value (3/31/2023)
Acruence Active Hedge U.S. Equity ETF - NAV	-10.18%	-2.25%	\$9,568
Acruence Active Hedge U.S. Equity ETF - Market	-12.45%	-3.34%	9,360
S&P 500 Total Return Index	-7.73%	0.78%	10,152

This chart illustrates the performance of a hypothetical \$10,000 investment made on April 21, 2021 (commencement of operations), and is not intended to imply any future performance. The returns shown do not reflect the deduction of taxes that a shareholder would pay on fund distributions or the redemption of fund shares. The chart assumes reinvestment of capital gains, dividends, and return of capital, if applicable, for a fund and dividends for an index.

Performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the Fund may be lower or higher than the performance quoted. Performance data current to the most recent month end may be obtained by calling (833) 653-6400. The Fund's expense ratio is 0.83% (as of the Fund's most recently filed prospectus dated April, 28, 2023).

Acrucence Active Hedge U.S. Equity ETF

PORTFOLIO ALLOCATION at March 31, 2023 (Unaudited)

Sector/Security Type	% of Net Assets
Technology	24.5%
Consumer, Non-cyclical	20.8
Financial	13.3
Communications	11.8
Consumer, Cyclical	8.8
Industrial	7.7
Options Purchased	4.8
Energy	4.6
Utilities	2.8
Basic Materials	2.1
Cash Equivalents ⁽¹⁾	0.1
Options Written	(1.3)
Total	100.0%

⁽¹⁾ Represents money market funds and other assets in excess of liabilities.

The accompanying notes are an integral part of these consolidated financial statements.

Acruence Active Hedge U.S. Equity ETF

CONSOLIDATED SCHEDULE OF INVESTMENTS at March 31, 2023

	Shares	Value		Shares	Value
Common Stocks — 96.4%				Common Stocks — 96.4% (Continued)	
Advertising — 0.1%				Banks — 3.8%	
The Interpublic Group of Companies, Inc.	160	\$ 5,958		Bank of America Corp.	2,475 \$ 70,785
Omnicom Group, Inc.	81	7,642		The Bank of New York Mellon Corp.	288 13,087
		13,600		Citigroup, Inc.	704 33,010
Aerospace & Defense — 1.7%				Citizens Financial Group, Inc.	202 6,135
The Boeing Co. ⁽¹⁾	207	43,973		Fifth Third Bancorp	278 7,406
General Dynamics Corp.	86	19,626		The Goldman Sachs Group, Inc.	125 40,889
Howmet Aerospace, Inc.	153	6,483		Huntington Bancshares, Inc.	588 6,586
L3Harris Technologies, Inc.	73	14,325		JPMorgan Chase & Co.	1,048 136,565
Lockheed Martin Corp.	85	40,182		M&T Bank Corp.	64 7,652
Northrop Grumman Corp.	54	24,933		Morgan Stanley	484 42,495
Raytheon Technologies Corp.	548	53,666		Northern Trust Corp.	93 8,196
TransDigm Group, Inc.	20	14,741		The PNC Financial Services Group, Inc.	153 19,446
		217,929		Regions Financial Corp.	378 7,016
Agriculture — 0.8%				State Street Corp.	146 11,051
Altria Group, Inc.	659	29,405		SVB Financial Group ⁽¹⁾	27 24
Archer-Daniels-Midland Co.	212	16,888		Truist Financial Corp.	511 17,425
Bunge Ltd.	63	6,018		U.S. Bancorp	517 18,638
Philip Morris International, Inc.	566	55,043		Wells Fargo & Co.	1,377 51,472
		107,354			497,878
Airlines — 0.2%				Beverages — 1.7%	
Delta Air Lines, Inc. ⁽¹⁾	248	8,660		The Coca-Cola Co.	1,422 88,206
Southwest Airlines Co.	230	7,484		Constellation Brands, Inc. - Class 1	63 14,231
United Airlines Holdings, Inc. ⁽¹⁾	133	5,886		Keurig Dr Pepper, Inc.	335 11,819
		22,030		Monster Beverage Corp. ⁽¹⁾	294 15,879
Apparel — 0.4%				PepsiCo, Inc.	510 92,973
Nike, Inc. - Class A	469	57,518			223,108
Auto Manufacturers — 2.1%				Biotechnology — 1.7%	
Cummins, Inc.	55	13,139		Amgen, Inc.	201 48,592
Ford Motor Co.	1,525	19,215		Biogen, Inc. ⁽¹⁾	55 15,292
General Motors Co.	528	19,367		Corteva, Inc.	277 16,706
PACCAR, Inc.	202	14,786		Gilead Sciences, Inc.	466 38,664
Tesla, Inc. ⁽¹⁾	978	202,896		Illumina, Inc. ⁽¹⁾	62 14,418
		269,403		Moderna, Inc. ⁽¹⁾	128 19,658
Auto Parts & Equipment — 0.1%				Regeneron Pharmaceuticals, Inc. ⁽¹⁾	41 33,688
Aptiv PLC ⁽¹⁾	108	12,116		Vertex Pharmaceuticals, Inc. ⁽¹⁾	97 30,562
		12,116			217,580
				Building Materials — 0.5%	
				Carrier Global Corp.	335 15,326
				Johnson Controls International PLC	268 16,139
				Martin Marietta Materials, Inc.	25 8,877
				Trane Technologies PLC	92 16,926
				Vulcan Materials Co.	56 9,607
					66,875

The accompanying notes are an integral part of these consolidated financial statements.

Acruence Active Hedge U.S. Equity ETF

CONSOLIDATED SCHEDULE OF INVESTMENTS at March 31, 2023 (Continued)

	Shares	Value		Shares	Value
Common Stocks — 96.4% (Continued)				Common Stocks — 96.4% (Continued)	
Chemicals — 1.6%				Cosmetics & Personal Care — 1.3%	
Air Products and Chemicals, Inc.	84	\$ 24,126		Colgate-Palmolive Co.	316 \$ 23,747
Albemarle Corp.	47	10,389		The Estee Lauder Company, Inc.	88 21,689
CF Industries Holdings, Inc.	80	5,799		The Procter & Gamble Co.	872 129,658
Dow, Inc.	279	15,295			175,094
DuPont de Nemours, Inc.	180	12,919		Distribution & Wholesale — 0.3%	
Ecolab, Inc.	96	15,891		Copart, Inc. ⁽¹⁾	169 12,710
FMC Corp.	50	6,106		Fastenal Co.	220 11,867
International Flavors & Fragrances, Inc.	98	9,012		LKQ Corp.	105 5,960
Linde PLC	182	64,690		W.W. Grainger, Inc.	18 12,399
LyondellBasell Industries NV	101	9,483			42,936
The Mosaic Co.	140	6,423		Diversified Financial Services — 3.6%	
PPG Industries, Inc.	93	12,423		American Express Co.	219 36,124
The Sherwin-Williams Co.	90	20,229		Ameriprise Financial, Inc.	42 12,873
		212,785		BlackRock, Inc.	56 37,471
				Capital One Financial Corp.	148 14,232
Commercial Services — 1.8%				Cboe Global Markets, Inc.	45 6,041
Automatic Data Processing, Inc.	154	34,285		The Charles Schwab Corp.	560 29,333
Cintas Corp.	34	15,731		CME Group, Inc. - Class A	135 25,855
CoStar Group, Inc. ⁽¹⁾	155	10,672		Discover Financial Services	108 10,675
Equifax, Inc.	48	9,736		Intercontinental Exchange, Inc.	216 22,526
FleetCor Technologies, Inc. ⁽¹⁾	30	6,326		Mastercard, Inc. - Class A	308 111,930
Gartner, Inc. ⁽¹⁾	31	10,099		Nasdaq, Inc.	140 7,654
Global Payments, Inc.	104	10,945		Raymond James Financial, Inc.	77 7,182
MarketAxess Holdings, Inc.	16	6,261		T. Rowe Price Group, Inc.	89 10,048
Moody's Corp.	60	18,361		Visa, Inc. - Class A	596 134,374
PayPal Holdings, Inc. ⁽¹⁾	425	32,275			466,318
Quanta Services, Inc.	60	9,998		Electric — 2.7%	
S&P Global, Inc.	124	42,751		The AES Corp.	298 7,176
United Rentals, Inc.	28	11,081		Ameren Corp.	106 9,157
Verisk Analytics, Inc.	63	12,087		American Electric Power Co., Inc.	198 18,016
		230,608		CenterPoint Energy, Inc.	261 7,689
Computers — 8.3%				CMS Energy Corp.	127 7,795
Accenture PLC - Class A	235	67,165		Consolidated Edison, Inc.	138 13,203
Apple, Inc.	5,509	908,434		Constellation Energy Corp.	129 10,127
Cognizant Technology Solutions Corp.	199	12,125		Dominion Energy, Inc.	308 17,220
EPAM Systems, Inc. ⁽¹⁾	24	7,176		DTE Energy Co.	80 8,763
Fortinet, Inc. ⁽¹⁾	252	16,748		Duke Energy Corp.	289 27,880
Hewlett Packard Enterprise Co.	518	8,252		Edison International	160 11,294
HP, Inc.	355	10,419		Entergy Corp.	83 8,942
International Business Machines Corp.	327	42,867		Evergy, Inc.	99 6,051
		1,073,186		Eversource Energy	145 11,348
				Exelon Corp.	384 16,086
				FirstEnergy Corp.	216 8,653
				NextEra Energy, Inc.	742 57,193

The accompanying notes are an integral part of these consolidated financial statements.

Acruence Active Hedge U.S. Equity ETF

CONSOLIDATED SCHEDULE OF INVESTMENTS at March 31, 2023 (Continued)

	Shares	Value		Shares	Value
Common Stocks — 96.4% (Continued)				Common Stocks — 96.4% (Continued)	
Electric — 2.7% (Continued)				Food — 1.2% (Continued)	
PG&E Corp. ⁽¹⁾	620	\$ 10,025		Lamb Weston Holdings, Inc.	60 \$ 6,271
PPL Corp.	301	8,365		McCormick & Co., Inc.	97 8,071
Public Service Enterprise Group, Inc.	194	12,115		Mondelez International, Inc.	511 35,627
Sempra Energy	119	17,988		Sysco Corp.	196 15,137
The Southern Co.	412	28,667		Tyson Foods, Inc. - Class A	115 6,822
WEC Energy Group, Inc.	125	11,849			152,610
Xcel Energy, Inc.	217	14,635			
		350,237		Gas — 0.1%	
				Atmos Energy Corp.	58 6,517
Electrical Components & Equipment — 0.2%				Healthcare — Products — 3.8%	
AMETEK, Inc.	93	13,515		Abbott Laboratories	646 65,414
Emerson Electric Co.	220	19,171		Align Technology, Inc. ⁽¹⁾	30 10,024
		32,686		Baxter International, Inc.	210 8,518
				Boston Scientific Corp. ⁽¹⁾	533 26,666
Electronics — 1.1%				The Cooper Companies, Inc.	20 7,467
Agilent Technologies, Inc.	112	15,494		Danaher Corp.	243 61,246
Amphenol Corp.	230	18,796		Edwards Lifesciences Corp. ⁽¹⁾	235 19,442
Fortive Corp.	144	9,816		GE HealthCare Technologies, Inc. ⁽¹⁾	138 11,320
Garmin Ltd.	65	6,560		Hologic, Inc. ⁽¹⁾	102 8,231
Honeywell International, Inc.	251	47,971		IDEXX Laboratories, Inc. ⁽¹⁾	32 16,003
Keysight Technologies, Inc. ⁽¹⁾	72	11,626		Insulet Corp. ⁽¹⁾	28 8,931
Mettler-Toledo International, Inc. ⁽¹⁾	9	13,772		Intuitive Surgical, Inc. ⁽¹⁾	133 33,977
TE Connectivity Ltd.	124	16,263		Medtronic PLC	495 39,907
		140,298		PerkinElmer, Inc.	49 6,530
				ResMed, Inc.	56 12,263
Energy — Alternate Sources — 0.2%				STERIS PLC	38 7,269
Enphase Energy, Inc. ⁽¹⁾	55	11,565		Stryker Corp.	125 35,684
First Solar, Inc. ⁽¹⁾	42	9,135		Thermo Fisher Scientific, Inc.	144 82,997
SolarEdge Technologies, Inc. ⁽¹⁾	24	7,295		Waters Corp. ⁽¹⁾	23 7,121
		27,995		West Pharmaceutical Services, Inc.	30 10,394
				Zimmer Biomet Holdings, Inc.	83 10,724
					490,128
Engineering & Construction — 0.1%				Healthcare — Services — 2.3%	
Jacobs Solutions, Inc.	56	6,581		Centene Corp. ⁽¹⁾	215 13,590
				Elevance Health, Inc.	87 40,003
				HCA Healthcare, Inc.	80 21,094
Environmental Control — 0.3%				Humana, Inc.	47 22,817
Republic Services, Inc.	82	11,088		IQVIA Holdings, Inc. ⁽¹⁾	71 14,121
Waste Management, Inc.	141	23,007		Laboratory Corp. of America Holdings	36 8,259
		34,095		Molina Healthcare, Inc. ⁽¹⁾	24 6,420
				Quest Diagnostics, Inc.	47 6,650
Food — 1.2%				UnitedHealth Group, Inc.	340 160,681
Conagra Brands, Inc.	193	7,249			293,635
General Mills, Inc.	229	19,570			
The Hershey Co.	57	14,501			
The J.M. Smucker Co.	44	6,924			
Kellogg Co.	111	7,433			
The Kraft Heinz Co.	307	11,872			
The Kroger Co.	266	13,133			

The accompanying notes are an integral part of these consolidated financial statements.

Acrucence Active Hedge U.S. Equity ETF

CONSOLIDATED SCHEDULE OF INVESTMENTS at March 31, 2023 (Continued)

	Shares	Value		Shares	Value
Common Stocks — 96.4% (Continued)				Common Stocks — 96.4% (Continued)	
Home Builders — 0.2%				Iron & Steel — 0.2%	
D.R. Horton, Inc.	131	\$ 12,798		Nucor Corp.	98 \$ 15,138
Lennar Corp. - Class A	102	10,721		Steel Dynamics, Inc.	66 7,462
NVR, Inc. ⁽¹⁾	1	5,572			22,600
		29,091			
Household Products & Wares — 0.3%				Lodging — 0.3%	
Avery Dennison Corp.	33	5,905		Hilton Worldwide Holdings, Inc.	104 14,650
Church & Dwight Co., Inc.	100	8,841		Las Vegas Sands Corp. ⁽¹⁾	130 7,469
The Clorox Co.	52	8,228		Marriott International, Inc.	102 16,936
Kimberly-Clark Corp.	130	17,449			39,055
		40,423			
Insurance — 3.6%				Machinery — Construction & Mining — 0.3%	
Aflac, Inc.	221	14,259		Caterpillar, Inc.	196 44,853
The Allstate Corp.	103	11,414			
American International Group, Inc.	285	14,353		Machinery — Diversified — 0.8%	
Aon PLC	78	24,593		Deere & Co.	100 41,288
Arch Capital Group Ltd. ⁽¹⁾	143	9,705		Dover Corp.	60 9,116
Arthur J Gallagher & Co.	81	15,496		IDEX Corp.	32 7,393
Berkshire Hathaway, Inc. - Class A ⁽¹⁾	655	202,244		Ingersoll Rand, Inc.	157 9,134
Chubb Ltd.	155	30,098		Otis Worldwide Corp.	164 13,842
Cincinnati Financial Corp.	65	7,285		Rockwell Automation, Inc.	45 13,205
Everest Re Group Ltd.	17	6,086		Westinghouse Air Brake Technologies Corp.	76 7,681
The Hartford Financial Services Group, Inc.	128	8,920		Xylem, Inc.	76 7,957
Marsh & McLennan Company, Inc.	184	30,645			109,616
MetLife, Inc.	260	15,064			
Principal Financial Group, Inc.	96	7,135		Media — 1.2%	
The Progressive Corp.	219	31,330		Charter Communications, Inc. - Class A ⁽¹⁾	41 14,662
Prudential Financial, Inc.	144	11,915		Comcast Corp. - Class A	1,542 58,457
The Travelers Companies, Inc.	89	15,256		FactSet Research Systems, Inc.	16 6,642
Willis Towers Watson PLC	42	9,760		The Walt Disney Co. ⁽¹⁾	670 67,087
		465,558		Warner Bros Discovery, Inc. ⁽¹⁾	852 12,865
					159,713
Internet — 8.4%				Mining — 0.3%	
Alphabet, Inc. - Class A ⁽¹⁾	2,247	233,081		Freeport-McMoRan, Inc.	535 21,887
Alphabet, Inc. - Class C ⁽¹⁾	1,960	203,840		Newmont Corp.	313 15,343
Amazon.com, Inc. ⁽¹⁾	3,272	337,965			37,230
Booking Holdings, Inc. ⁽¹⁾	14	37,134			
CDW Corp.	54	10,524		Miscellaneous Manufacturers — 1.1%	
eBay, Inc.	217	9,628		3M Co.	213 22,388
Etsy, Inc. ⁽¹⁾	51	5,678		Eaton Corp. PLC	151 25,872
Expedia Group, Inc. - Class A ⁽¹⁾	61	5,919		General Electric Co.	402 38,431
Meta Platforms, Inc. - Class A ⁽¹⁾	833	176,546		Illinois Tool Works, Inc.	105 25,562
Netflix, Inc. ⁽¹⁾	167	57,695		Parker-Hannifin Corp.	51 17,142
VeriSign, Inc. ⁽¹⁾	37	7,819		Teledyne Technologies, Inc. ⁽¹⁾	19 8,500
		1,085,829		Textron, Inc.	87 6,145
					144,040

The accompanying notes are an integral part of these consolidated financial statements.

Acruence Active Hedge U.S. Equity ETF

CONSOLIDATED SCHEDULE OF INVESTMENTS at March 31, 2023 (Continued)

	Shares	Value
Common Stocks — 96.4% (Continued)		
Office & Business Equipment — 0.1%		
Zebra Technologies Corp. ⁽¹⁾	22	\$ 6,996
Oil & Gas — 3.7%		
Chevron Corp.	649	105,891
ConocoPhillips	445	44,148
Coterra Energy, Inc.	308	7,558
Devon Energy Corp.	251	12,703
Diamondback Energy, Inc.	70	9,462
EOG Resources, Inc.	215	24,645
Exxon Mobil Corp.	1,480	162,297
Hess Corp.	104	13,763
Marathon Oil Corp.	258	6,182
Marathon Petroleum Corp.	167	22,517
Occidental Petroleum Corp.	270	16,856
Phillips 66	177	17,944
Pioneer Natural Resources Co.	91	18,586
Valero Energy Corp.	143	19,963
		482,515
Oil & Gas Services — 0.4%		
Baker Hughes Co. - Class A	383	11,053
Halliburton Co.	342	10,821
Schlumberger NV	524	25,729
		47,603
Packaging & Containers — 0.1%		
Arcor PLC	602	6,851
Ball Corp.	129	7,109
		13,960
Pharmaceuticals — 5.9%		
AbbVie, Inc.	653	104,068
AmerisourceBergen Corp.	65	10,407
Becton Dickinson & Co.	107	26,487
Bristol-Myers Squibb Co.	785	54,408
Cardinal Health, Inc.	108	8,154
The Cigna Group	113	28,875
CVS Health Corp.	480	35,669
Dexcom, Inc. ⁽¹⁾	149	17,311
Eli Lilly & Co.	292	100,278
Johnson & Johnson	957	148,335
McKesson Corp.	53	18,871
Merck & Co., Inc.	918	97,666
Pfizer, Inc.	2,080	84,864
Zoetis, Inc.	172	28,628
		764,021

	Shares	Value
Common Stocks — 96.4% (Continued)		
Pipelines — 0.3%		
Kinder Morgan, Inc.	768	\$ 13,448
ONEOK, Inc.	172	10,929
Targa Resources Corp.	88	6,419
The Williams Companies, Inc.	466	13,915
		44,711
Real Estate — 0.1%		
CBRE Group, Inc. ⁽¹⁾	125	9,101
Real Estate Investment Trusts (REITs) — 2.3%		
Alexandria Real Estate Equities, Inc.	65	8,163
American Tower Corp.	180	36,781
AvalonBay Communities, Inc.	59	9,916
Crown Castle, Inc.	163	21,816
Digital Realty Trust, Inc.	112	11,011
Equinix, Inc.	35	25,236
Equity Residential	140	8,400
Extra Space Storage, Inc.	57	9,287
Invitation Homes, Inc.	229	7,152
Iron Mountain, Inc.	115	6,085
Mid-America Apartment Communities, Inc.	47	7,099
Prologis, Inc.	344	42,921
Public Storage	62	18,733
Realty Income Corp.	239	15,133
SBA Communications Corp.	42	10,965
Simon Property Group, Inc.	127	14,220
Ventas, Inc.	155	6,719
VICI Properties, Inc.	390	12,722
Welltower, Inc.	187	13,406
Weyerhaeuser Co.	300	9,039
		294,804
Retail — 5.1%		
AutoZone, Inc. ⁽¹⁾	7	17,207
Best Buy Co., Inc.	85	6,653
Chipotle Mexican Grill, Inc. ⁽¹⁾	10	17,083
Costco Wholesale Corp.	164	81,487
Darden Restaurants, Inc.	51	7,913
Dollar General Corp.	86	18,100
Dollar Tree, Inc. ⁽¹⁾	83	11,915
Genuine Parts Co.	58	9,704
The Home Depot, Inc.	378	111,555
Lowe's Companies, Inc.	225	44,993
McDonald's Corp.	271	75,774
O'Reilly Automotive, Inc. ⁽¹⁾	24	20,376

The accompanying notes are an integral part of these consolidated financial statements.

Acrucence Active Hedge U.S. Equity ETF

CONSOLIDATED SCHEDULE OF INVESTMENTS at March 31, 2023 (Continued)

	Shares	Value		Shares	Value
Common Stocks — 96.4% (Continued)				Common Stocks — 96.4% (Continued)	
Retail — 5.1%				Software — 10.0% (Continued)	
Ross Stores, Inc.	135	\$ 14,328		Paychex, Inc.	124 \$ 14,209
Starbucks Corp.	425	44,255		Roper Technologies, Inc.	42 18,509
Target Corp.	173	28,654		Salesforce, Inc. ⁽¹⁾	370 73,919
The TJX Companies, Inc.	434	34,008		ServiceNow, Inc. ⁽¹⁾	76 35,319
Tractor Supply Co.	45	10,577		Synopsys, Inc. ⁽¹⁾	58 22,403
Ulta Beauty, Inc. ⁽¹⁾	20	10,913		Take-Two Interactive Software, Inc. ⁽¹⁾	70 8,351
Walgreens Boots Alliance, Inc.	299	10,339		Tyler Technologies, Inc. ⁽¹⁾	18 6,384
Walmart, Inc.	510	75,199			1,299,627
Yum! Brands, Inc.	111	14,661			
		665,694		Telecommunications — 2.0%	
Semiconductors — 6.2%				Arista Networks, Inc. ⁽¹⁾	96 16,115
Advanced Micro Devices, Inc. ⁽¹⁾	606	59,394		AT&T, Inc.	2,621 50,454
Analog Devices, Inc.	194	38,261		Cisco Systems, Inc.	1,521 79,510
Applied Materials, Inc.	318	39,060		Corning, Inc.	297 10,478
Broadcom, Inc.	156	100,080		Motorola Solutions, Inc.	65 18,598
Intel Corp.	1,527	49,887		T-Mobile US, Inc. ⁽¹⁾	221 32,010
KLA Corp.	53	21,156		Verizon Communications, Inc.	1,539 59,852
Lam Research Corp.	52	27,566			267,017
Microchip Technology, Inc.	219	18,348		Transportation — 1.4%	
Micron Technology, Inc.	421	25,403		CSX Corp.	802 24,012
Monolithic Power Systems, Inc.	18	9,010		Expeditors International of Washington, Inc.	67 7,378
NVIDIA Corp.	909	252,493		FedEx Corp.	88 20,107
NXP Semiconductors NV	101	18,834		J.B. Hunt Transport Services, Inc.	33 5,790
ON Semiconductor Corp. ⁽¹⁾	174	14,324		Norfolk Southern Corp.	88 18,656
QUALCOMM, Inc.	417	53,201		Old Dominion Freight Line, Inc.	36 12,270
Skyworks Solutions, Inc.	67	7,905		Union Pacific Corp.	224 45,082
Teradyne, Inc.	69	7,418		United Parcel Service, Inc. - Class B	270 52,378
Texas Instruments, Inc.	340	63,243			185,673
		805,583		Water — 0.1%	
Software — 10.0%				American Water Works Co., Inc.	73 10,694
Activision Blizzard, Inc.	272	23,280			
Adobe, Inc. ⁽¹⁾	170	65,513		Total Common Stocks	
ANSYS, Inc. ⁽¹⁾	34	11,315		(Cost \$12,144,440)	12,517,107
Autodesk, Inc. ⁽¹⁾	83	17,277			
Broadridge Financial Solutions, Inc.	49	7,182			
Cadence Design Systems, Inc. ⁽¹⁾	104	21,849			
Electronic Arts, Inc.	106	12,768			
Fair Isaac Corp. ⁽¹⁾	11	7,730			
Fidelity National Information Services, Inc.	222	12,061			
Fiserv, Inc. ⁽¹⁾	238	26,901			
Intuit, Inc.	106	47,258			
Microsoft Corp.	2,768	798,014			
MSCI, Inc.	31	17,350			
Oracle Corp.	560	52,035			

The accompanying notes are an integral part of these consolidated financial statements.

Acruence Active Hedge U.S. Equity ETF

CONSOLIDATED SCHEDULE OF INVESTMENTS at March 31, 2023 (Continued)

	Contracts	Notional Amount	Value
Options Purchased — 4.8%			
Call Options — 2.2%			
CBOE Market Index			
Expiration 4/5/2023, Exercise Price \$45 ⁽²⁾	550	\$ 11,000	\$ 275,000
CBOE Volatility Index			
Expiration 4/19/2023, Exercise Price \$45 ⁽²⁾	703	10,545	6,327
			281,327
Put Options — 2.6%			
CBOE S&P Index			
Expiration 10/20/2023, Exercise Price \$3,725 ⁽²⁾	35	1,035,336	345,240
Total Options Purchased			626,567
(Cost \$1,058,701)			
		Shares	
Short-Term Investments — 0.1%			
Money Market Funds — 0.1%			
First American Government Obligations Fund, Class X, 4.650% ⁽³⁾			
	12,805		12,805
Total Short-Term Investments			12,805
(Cost \$12,805)			
Total Investments in Securities — 101.3%			13,156,479
(Cost \$13,215,946)			
Liabilities in Excess of Other Assets - (1.3)%			(171,791)
Total Net Assets — 100.0%			\$ 12,984,688

⁽¹⁾ Non-income producing security.

⁽²⁾ The investment is a holding of Toroso Cayman Subsidiary I, a wholly-owned subsidiary of the Acruence Active Hedge U.S. Equity ETF.

⁽³⁾ The rate shown is the annualized seven-day effective yield as of March 31, 2023.

The accompanying notes are an integral part of these consolidated financial statements.

Acrucence Active Hedge U.S. Equity ETF

CONSOLIDATED SCHEDULE OF OPTIONS WRITTEN at March 31, 2023

	Contracts	Notional Amount	Value
Options Written — 1.3%			
Put Options — 1.3%			
S&P 500 Index			
Expiration: 10/20/2023,			
Exercise Price: \$3,350 ⁽¹⁾			
	35	\$ 639,791	\$ 174,300
Total Options Written			
(Premium Received \$639,640)			\$ 174,300

⁽¹⁾ The investment is a holding of Toroso Cayman Subsidiary I, a wholly-owned subsidiary of the Acrucence Active Hedge U.S. Equity ETF.

Percentages are stated as a percent of net assets.

The accompanying notes are an integral part of these consolidated financial statements.

Acruence Active Hedge U.S. Equity ETF

CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES at March 31, 2023

Assets:	
Investments in securities, at value (Cost \$13,215,946) (Note 2)	\$ 13,156,479
Collateral at broker for purchased options	2,533
Receivables:	
Dividends and interest	9,114
Total assets	<u>13,168,126</u>
Liabilities:	
Options written (Premium received \$639,640) (Note 2)	174,300
Payables:	
Management fees (Note 4)	9,138
Total liabilities	<u>183,438</u>
Net Assets	<u>\$ 12,984,688</u>
Components of Net Assets:	
Paid-in capital	\$ 26,462,858
Total distributable (accumulated) earnings (losses)	<u>(13,478,170)</u>
Net assets	<u>\$ 12,984,688</u>
Net Asset Value (unlimited shares authorized):	
Net assets	\$ 12,984,688
Shares of beneficial interest issued and outstanding	700,000
Net asset value	<u>\$ 18.55</u>

The accompanying notes are an integral part of these consolidated financial statements.

Acrucence Active Hedge U.S. Equity ETF

CONSOLIDATED STATEMENT OF OPERATIONS For the Year Ended March 31, 2023

Investment Income:

Dividend income (net of foreign withholding tax of \$179)	\$	502,993
Interest income		944
Total investment income		503,937

Expenses:

Management fees (Note 4)		258,037
Total expenses		258,037
Net investment income (loss)		245,900

Realized and Unrealized Gain (Loss)

Net realized gain (loss) on:		
Investments		(11,266,341)
Change in net unrealized appreciation/depreciation on:		
Investments		(7,040,549)
Options written		465,340
Net realized and unrealized gain (loss) on investments		(17,841,550)
Net increase (decrease) in net assets resulting from operations	\$	(17,595,650)

The accompanying notes are an integral part of these consolidated financial statements.

Acruence Active Hedge U.S. Equity ETF

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

	Year Ended March 31, 2023	Period Ended March 31, 2022⁽¹⁾
Increase (Decrease) in Net Assets From:		
Operations:		
Net investment income (loss)	\$ 245,900	\$ 421,368
Net realized gain (loss)	(11,266,341)	(2,153,807)
Change in net unrealized appreciation/depreciation	(6,575,209)	6,981,082
Net increase (decrease) in net assets resulting from operations	(17,595,650)	5,248,643
Distributions to Shareholders:		
Net distributions to shareholders	(345,005)	(292,000)
Capital Share Transactions:		
Net increase (decrease) in net assets derived from net change in outstanding shares ⁽²⁾	(73,162,560)	99,131,260
Total increase (decrease) in net assets	\$ (91,103,215)	\$ 104,087,903
Net Assets:		
Beginning of year/period	104,087,903	—
End of year/period	\$ 12,984,688	\$ 104,087,903

⁽¹⁾ The Fund commenced operations on April 21, 2021. The information presented is from April 21, 2021 to March 31, 2022.

⁽²⁾ Summary of share transactions is as follows:

	Year Ended March 31, 2023		Period Ended March 31, 2022⁽¹⁾	
	Shares	Value	Shares	Value
Shares sold	100,000	\$ 1,834,110	4,900,000	\$ 99,131,260
Shares redeemed	(4,300,000)	(74,996,670)	—	—
Net increase (decrease)	(4,200,000)	\$ (73,162,560)	4,900,000	\$ 99,131,260

The accompanying notes are an integral part of these consolidated financial statements.

Acruence Active Hedge U.S. Equity ETF

CONSOLIDATED FINANCIAL HIGHLIGHTS For a capital share outstanding throughout the periods

	Year Ended March 31, 2023 (Consolidated)	Period Ended March 31, 2022⁽¹⁾ (Consolidated)
Net asset value, beginning of year/period	\$ 21.24	\$ 20.00
Income (Loss) from Investment Operations:		
Net investment income (loss) ⁽²⁾	0.15	0.11
Net realized and unrealized gain (loss) on investments	<u>(2.35)</u>	<u>1.20</u>
Total from investment operations	<u><u>(2.20)</u></u>	<u><u>1.31</u></u>
Less Distributions:		
From net investment income	<u>(0.49)</u>	<u>(0.07)</u>
Total distributions	<u>(0.49)</u>	<u>(0.07)</u>
Net asset value, end of year/period	<u>\$ 18.55</u>	<u>\$ 21.24</u>
Total return ⁽⁴⁾	<u>(10.18)%</u>	<u>6.52%⁽³⁾</u>
Ratios / Supplemental Data:		
Net assets, end of year/period (millions)	\$ 13.0	\$ 104.1
Portfolio turnover rate ⁽⁶⁾	14%	6% ⁽³⁾
Ratio of expenses to average net assets	0.83%	0.83% ⁽⁵⁾
Ratio of net investment income (loss) to average net assets	0.79%	0.56% ⁽⁵⁾

⁽¹⁾ The Fund commenced operations on April 21, 2021. The information presented is from April 21, 2021 to March 31, 2022.

⁽²⁾ Calculated using average shares outstanding method.

⁽³⁾ Not annualized.

⁽⁴⁾ The total return is based on the Fund's net asset value. Additional performance information is presented in the Performance Summary.

⁽⁵⁾ Annualized.

⁽⁶⁾ Excludes the impact of in-kind transactions.

The accompanying notes are an integral part of these consolidated financial statements.

Acruence Active Hedge U.S. Equity ETF

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS March 31, 2023

NOTE 1 – ORGANIZATION

The Acruence Active Hedge U.S. Equity ETF (the “Fund”) is a non-diversified series of shares of beneficial interest of Tidal ETF Trust (the “Trust”). The Trust was organized as a Delaware statutory trust on June 4, 2018 and is registered with the Securities and Exchange Commission (the “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 Acruence Capital, LLC (“Acruence” or the “Sub-Adviser”) serves as the investment sub-adviser to the Fund. 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.” The Fund commenced operations on April 21, 2021.

The investment objective of the Fund is to seek capital appreciation with reduced volatility as compared to the S&P 500® Index.

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, which may include real estate investment trusts (“REITs”), listed on a securities exchange, market or automated quotation system for which quotations are readily available (except for securities traded on the NASDAQ Stock Market, LLC (“NASDAQ”)), 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 NASDAQ, the NASDAQ 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.

Options are valued at the last quoted sales price. If there is no such reported sale on the valuation date, both long and short positions are valued at the mean between the most recent quoted bid and ask prices.

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 fund may cause the net asset value of its shares to differ significantly from the net asset value 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.

Acruence Active Hedge U.S. Equity ETF

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS March 31, 2023 (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 consolidated investments as of March 31, 2023:

Investments in Securities	Level 1	Level 2	Level 3	Total
Common Stocks ⁽¹⁾	\$ 12,517,107	\$ —	\$ —	\$ 12,517,107
Purchased Options	351,567	275,000	—	626,567
Short-Term Investments	12,805	—	—	12,805
Total Investments in Securities	\$ 12,881,479	\$ 275,000	\$ —	\$ 13,156,479

Options Written	Level 1	Level 2	Level 3	Total
Put Options	\$ 174,300	\$ —	\$ —	\$ 174,300
Total Options Written	\$ 174,300	\$ —	\$ —	\$ 174,300

⁽¹⁾ See Consolidated Schedule of Investments for the industry breakout.

The Fund has adopted financial reporting rules and regulations that require enhanced disclosure regarding derivatives and hedging activity intending to improve financial reporting of derivative instruments by enabling investors to understand how an entity uses derivatives, how derivatives are accounted for, and how derivative instruments affect an entity's results of operations and financial position.

The Fund may invest in options on equities and stock indices. The Fund may make these investments as a substitute for a comparable market position in the underlying security, to attempt to hedge or limit the exposure of the Fund's position, to create a synthetic money market position for certain tax-related purposes and to effect closing transactions. The following table shows the effects of derivative instruments on the consolidated financial statements.

Consolidated Statement of Assets & Liabilities

Fair value of derivative instruments as of March 31, 2023.

Derivative Instruments	Asset Derivatives as of March 31, 2023		Liability Derivatives as of March 31, 2023	
	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Equity Contracts:				
Options Purchased ⁽¹⁾	Investments in securities, at value	\$ 626,567	None	\$ —
Options Written ⁽¹⁾	None	—	Options written	174,300

Acrucence Active Hedge U.S. Equity ETF

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS March 31, 2023 (Continued)

Statement of Operations

The effect of derivative instruments on the Consolidated Statement of Operations for the year ended March 31, 2023:

Derivative Instruments	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
Equity Contracts:			
Options Purchased ⁽¹⁾	Realized and Unrealized Gain (Loss)	\$ 767,266	\$ (219,048)
Options Written ⁽¹⁾		—	465,340

⁽¹⁾ The investment is a holding of Toroso Cayman Subsidiary I, a wholly-owned subsidiary of the Fund.

- B. *Basis for Consolidation for the Fund* – The Fund may invest up to 20% of its assets in the Toroso Cayman Subsidiary I, a subsidiary that is wholly-owned by the Fund and organized under the laws of the Cayman Islands (the “Subsidiary”). The Subsidiary may invest in option contracts (“VIX Options”) on the CBOE Volatility Index (the “VIX Index”) and other derivatives instruments. The Fund’s investment in the Subsidiary will not exceed 20% of the value of the Fund’s total assets (notwithstanding any subsequent market appreciation in the Subsidiary’s value). Asset limitations are imposed by Subchapter M of the Internal Revenue Code of 1986, as amended (the “Code”), and are measured at each taxable year and quarter end. The Adviser also serves as the investment adviser to the Subsidiary, but does not receive separate compensation.

The Subsidiary is not registered under the 1940 Act, but is subject to certain protections of the 1940 Act with respect to the Fund, as described in the Fund’s Statement of Additional Information. All of the Fund’s investments in the Subsidiary are subject to the investment policies and restrictions of the Fund, including those related to leverage, collateral and segregation requirements and liquidity. In addition, the valuation and brokerage policies of the Fund are applied to the Subsidiary. The Fund’s investments in the Subsidiary are not subject to all investor protection provisions of the 1940 Act. However, because the Fund is the sole investor in the Subsidiary, it is not likely that the Subsidiary will take any action that is contrary to the interests of the Fund and its shareholders.

The financial information of the Subsidiary has been consolidated into the Fund’s consolidated financial statements. The Fund had 4.8% of its total assets invested in the Subsidiary as of March 31, 2023.

The Subsidiary is an exempted Cayman Islands investment company and as such is not subject to Cayman Islands taxes at the present time. For U.S. income tax purposes, the Subsidiary is a Controlled Foreign Corporation (“CFC”) not subject to U.S. income taxes. As a wholly-owned CFC, however, the Subsidiary’s net income and capital gains, if any, will be included each year in the Fund’s investment company taxable income.

- C. *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 March 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.

- D. *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,

Acruence Active Hedge U.S. Equity ETF

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS March 31, 2023 (Continued)

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.

- E. *Foreign Currency.* Investment securities and other assets and liabilities denominated in foreign currencies are translated into U.S. dollar amounts at the date of valuation. Purchases and sales of investment securities and income and expense items denominated in foreign currencies are translated into U.S. dollar amounts on the respective dates of such transactions.

The Fund does not isolate that portion of the results of operations resulting from changes in foreign exchange rates on investments from the fluctuations arising from changes in market prices of securities held. Such fluctuations are included with the net realized and unrealized gain or loss from investments.

The Fund reports net realized foreign exchange gains or losses that arise from sales of foreign currencies, currency gains or losses realized between the trade and settlement dates on securities transactions, and the difference between the amounts of dividends, interest, and foreign withholding taxes recorded on the Fund's books and the U.S. dollar equivalent of the amounts actually received or paid. Net unrealized foreign exchange gains and losses arise from changes in the fair values of assets and liabilities, other than investments in securities at period end, resulting from changes in exchange rates.

- F. *Distributions to Shareholders.* Distributions to shareholders from net investment income, if any, for the Fund are declared and paid at least annually. 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.
- G. *Use of Estimates.* The preparation of consolidated 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 consolidated financial statements and the reported amount of revenue and expenses during the reporting period. Actual results could differ from those estimates.
- H. *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.
- I. *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.
- J. *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.
- K. *Derivatives Transactions.* Pursuant to Rule 18f-4 under the 1940 Act, the SEC 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 Fund implemented a Rule 18f-4 Derivative Risk Management Program that complies with Rule 18f-4.
- 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, if any, of these amendments on the consolidated financial statements.

Acrucence Active Hedge U.S. Equity ETF

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS March 31, 2023 (Continued)

- M. *Reclassification of Capital Accounts.* U.S. GAAP requires that certain components of net assets relating to permanent differences be reclassified between financial and tax reporting. These reclassifications have no effect on net assets or net asset value per share. These differences are primarily due to adjustments for redemptions in-kind. For the year ended March 31, 2023, the following adjustments were made:

Paid-In Capital	Total Distributable (Accumulated) Earnings (Losses)
\$2,407,425	\$(2,407,425)

NOTE 3 – PRINCIPAL INVESTMENT RISKS

- A. *Cayman Subsidiary Risk.* By investing in the Subsidiary, the Fund is indirectly exposed to the risks associated with the Subsidiary’s investments. The VIX Options and other investments held by the Subsidiary are generally similar to those investments that are permitted to be held by the Fund and are subject to the same economic risks that apply to similar investments if held directly by the Fund. The Subsidiary is not registered under the 1940 Act, and, unless otherwise noted in the Fund’s Prospectus, is not subject to all the investor protections of the 1940 Act. Changes in the laws of the United States and/or the Cayman Islands could result in the inability of the Fund and/or the Subsidiary to continue to operate as it does currently and could adversely affect the Fund.
- B. *Dividend Investing Risks.* The Fund will be subject to the risk that issuers that have historically paid regular dividends or distributions to shareholders may not continue to do so in the future. An issuer may reduce or eliminate future dividends or distributions at any time and for any reason. Such events could lower the price or yield of that company’s equity securities. Additionally, equity securities with that make high or regular dividend payments may underperform other securities in certain market conditions.
- C. *Equity Market Risk.* Common stocks, such as those held by the Fund, are generally exposed to greater risk than other types of securities, such as preferred stock and debt obligations, because common stockholders generally have inferior rights to receive payment from specific issuers. The equity securities held in the Fund’s portfolio may experience sudden, unpredictable drops in value or long periods of decline in value. This may occur because of factors that affect securities markets generally or factors affecting specific issuers, industries, or sectors in which the Fund invests.
- D. *Exchange Traded Fund (“ETF”) Risks.*
- *Authorized Participants, Market Makers, and Liquidity Providers Concentration Risk.* The Fund has a limited number of financial institutions that are authorized to purchase and redeem Shares directly from the Fund (known as “Authorized Participants” or “APs”). In addition, there may be a limited number of market makers and/or liquidity providers in the marketplace. To the extent either of the following events occur, Shares may trade at a material discount to NAV and possibly face delisting: (i) APs exit the business or otherwise become unable to process creation and/or redemption orders and no other APs step forward to perform these services; or (ii) market makers and/or liquidity providers exit the business or significantly reduce their business activities and no other entities step forward to perform their functions.
 - *Cash Redemption Risk.* The Fund’s investment strategy may require it to redeem Shares for cash or to otherwise include cash as part of its redemption proceeds. For example, the Fund may not be able to redeem in-kind certain securities held by the Fund (e.g., derivative instruments and bonds that cannot be broken up beyond certain minimum sizes needed for transfer and settlement). In such a case, the Fund may be required to sell or unwind portfolio investments to obtain the cash needed to distribute redemption proceeds. This may cause the Fund to recognize a capital gain that it might not have recognized if it had made a redemption in-kind. As a result, the Fund may pay out higher annual capital gain distributions than if the in-kind redemption process was used.
 - *Costs of Buying or Selling Shares.* Due to the costs of buying or selling Shares, including brokerage commissions imposed by brokers and bid-ask spreads, frequent trading of Shares may significantly reduce investment results and an investment in Shares may not be advisable for investors who anticipate regularly making small investments.
 - *Shares May Trade at Prices Other Than NAV.* As with all ETFs, Shares may be bought and sold in the secondary at market prices. Although it is expected that the market price of Shares will approximate the Fund’s NAV, there may be times when the market price of Shares is more than the NAV intra-day (premium) or less than the NAV intra-day (discount) due to supply and demand of Shares or during periods of market volatility. This risk is heightened in times of market volatility, periods of steep market declines, and periods when there is limited trading activity for Shares in the secondary market, in which case

Acruence Active Hedge U.S. Equity ETF

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS March 31, 2023 (Continued)

such premiums or discounts may be significant. Because securities held by the Fund may trade on foreign exchanges that are closed when the Fund's primary listing exchange is open, the Fund is likely to experience premiums and discounts greater than those of ETFs holding only domestic securities.

- *Trading.* Although Shares are listed on a national securities exchange, such as Cboe BZX Exchange, Inc. (the "Exchange") and may be traded on U.S. exchanges other than the Exchange, there can be no assurance that Shares will trade with any volume, or at all, on any stock exchange. In stressed market conditions, the liquidity of Shares may begin to mirror the liquidity of the Fund's underlying portfolio holdings, which can be significantly less liquid than Shares. Also, in stressed market conditions, the market for Shares may become less liquid in response to deteriorating liquidity in the markets for the Fund's underlying portfolio holdings. These adverse effects on liquidity for Shares, in turn, could lead to wider bid/ask spreads and differences between the market price of Shares and the underlying value of those Shares. Prior to May 18, 2022, shares were listed on the NYSE Arca, Inc.
- E. *General Market Risk.* Economies and financial markets throughout the world are becoming increasingly interconnected, which increases the likelihood that events or conditions in one country or region will adversely impact markets or issuers in other countries or regions. Securities in the Fund's portfolio may underperform in comparison to securities in the general financial markets, a particular financial market, or other asset classes, due to a number of factors, including inflation (or expectations for inflation), interest rates, global demand for particular products or resources, natural disasters or events, pandemic diseases, terrorism, regulatory events, and government controls.
- F. *Growth Investing Risks.* The Fund may invest in companies that appear to be growth-oriented. Growth companies are those that the Sub-Adviser believes will have revenue and earnings that grow faster than the economy as a whole, offering above-average prospects for capital appreciation and little or no emphasis on dividend income. If the Sub-Adviser's perceptions of a company's growth potential are wrong, the securities purchased may not perform as expected, reducing the Fund's return.
- G. *Management Risk.* The Fund is actively-managed and may not meet its investment objective based on the Sub-Adviser's success or failure to implement investment strategies for the Fund. Although the Sub-Adviser has options trading experience, the Sub-Adviser may not be able to replicate the historical performance of its options strategies. In addition, the Sub-Adviser's investment strategy to seek lower volatility may cause the Fund to underperform the broader equity market during market rallies. Such underperformance could be significant during sudden or significant market rallies.
- H. *Market Capitalization Risk.*
- *Large-Capitalization Investing.* The securities of large-capitalization companies may be relatively mature compared to smaller companies and therefore subject to slower growth during times of economic expansion. Large-capitalization companies may also be unable to respond quickly to new competitive challenges, such as changes in technology and consumer tastes.
- I. *Models and Data Risk.* The composition of the Fund's portfolio is heavily dependent on proprietary quantitative models as well as information and data supplied by third parties ("Models and Data"). When Models and Data prove to be incorrect or incomplete, any decisions made in reliance thereon may lead to the inclusion or exclusion of securities from the Fund's portfolio universe that would have been excluded or included had the Models and Data been correct and complete. While the Sub-Adviser's model measures relationships between the VIX Index, volatility, and premiums, levels may be depressed for extended periods and options can expire worthless.
- J. *Newer Fund Risk.* The Fund is a recently organized management investment company with a limited operating history. As a result, prospective investors have a limited track record or history on which to base their investment decisions.
- K. *Non-Diversification Risk.* Because the Fund is "non-diversified," it may invest a greater percentage of its assets in the securities of a single issuer or a smaller number of issuers than if it was a diversified fund. As a result, a decline in the value of an investment in a single issuer or a smaller number of issuers could cause the Fund's overall value to decline to a greater degree than if the Fund held a more diversified portfolio.
- L. *Options Risk.* Options enable the Fund to purchase exposure that is significantly greater than the premium paid. Consequently, the value of such options can be volatile, and a small investment in options can have a large impact on the performance of the Fund. The Fund risks losing all or part of the cash paid (premium) for purchasing options. Even a small decline in the value of a reference asset underlying call options or a small increase in the value of a reference asset underlying put options can result

Acruence Active Hedge U.S. Equity ETF

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS March 31, 2023 (Continued)

in the entire investment in such options being lost. Options may also present tracking risk. An imperfect or variable degree of correlation between price movements of the derivative and the underlying investment may prevent the portfolio from achieving the intended effect. The value of an option can change over time depending on several factors aside from just changes in the underlying asset's price, such as the time remaining to expiration and the expected level of volatility in the underlying asset. For option buyers, the risk of loss is limited to the option premium at the time of purchase. Additionally, the value of the option may be lost if the Sub-Adviser fails to exercise such option at or prior to its expiration. If the Sub-Adviser applies an options strategy to seek to hedge the Fund's portfolio at an inappropriate time or judges market movements incorrectly, options strategies may lower the Fund's return. The Fund's options strategies are also subject to the following risks:

- *VIX Options Strategy Risk.* One of the primary drivers of the value of a VIX Option is movement in the spot value of the VIX Index, which is a measure of implied volatility of S&P 500 options. Therefore, changing market expectations of future volatility will lead to changes in the market value of VIX Options. VIX Options will be subject to market risk. Because implied volatilities often rise during periods of market stress, the VIX Index is often negatively correlated to equity markets.
 - *Collar Strategy Risk.* By selling call options in return for the receipt of premiums, the Fund will give up the opportunity to benefit from potential increases in the value of the underlying asset above the exercise prices of such options. By purchasing put options in return for the payment of premiums, the Fund may be protected from a significant decline in the price of the underlying asset if the put options become in the money, but during periods where the underlying asset appreciates, the Fund will underperform due to the cost of the premiums paid and the increased value of any call options sold on the underlying asset. In addition, the Fund's ability to sell the securities that are underlying assets for the options will be limited while the options are in effect unless the Fund cancels out the options positions through the purchase or sale of offsetting identical options prior to the expiration of the options.
 - *Vertical Spread Strategy Risk.* The vertical spread strategy used to seek to protect the Fund against market declines during periods of volatility may not work as intended. Effective use of a vertical spread strategy to limit potential losses to the Fund depends on the Sub-Adviser setting an appropriate spread between the two options held by the Fund. Use of vertical spread options may offer downside protection to the Fund but also limit the Fund's returns if the reference asset in a vertical spread option appreciates in value. As a consequence, the Fund may underperform relative to other funds that do not employ a vertical spread option strategy.
 - *Covered Call Strategy Risk.* When the Fund sells call options, it receives cash but limits its opportunity to profit from an increase in the market value of the underlying asset to the exercise price (plus the premium received). The maximum potential gain on the underlying asset will be equal to the difference between the exercise price and the purchase price of the reference asset at the time the option is written, plus the premium received. In a rising market, the option may require an underlying asset to be sold at an exercise price that is lower than would be received if the underlying asset was sold at the market price. If a call expires, the Fund realizes a gain in the amount of the premium received, but because there may have been a decline (unrealized loss) in the market value of the reference asset during the option period, the loss realized may exceed such gain. If the underlying asset declines by more than the option premium the Fund receives, there will be a loss on the overall position.
 - *Box Trade Strategy Risk.* Use of a box trade strategy is intended to limit overall risk to the Fund since the loss in one option transaction is set off against the gain from another option transaction. Because box trades involve multiple options transactions, the Fund will incur additional transaction costs when utilizing a box trade strategy which will limit returns when using such a strategy.
- M. *Tax Risk.* The federal income tax treatment of the Fund's income from the Subsidiary may be negatively affected by future legislation, Treasury Regulations (proposed or final), and/or other Internal Revenue Service ("IRS") guidance or authorities that could affect the character, timing of recognition, and/or amount of the Fund's investment company taxable income and/or net capital gains and, therefore, the distributions it makes. If the Fund failed the source of income test for any taxable year but was eligible to and did not cure the failure, it could incur potentially significant additional federal income tax expenses. If, on the other hand, the Fund failed to qualify as a RIC for any taxable year and was ineligible to or otherwise did not cure the failure, it would be subject to federal income tax at the fund-level on its taxable income at the regular corporate tax rate (without reduction for distributions to shareholders), with the consequence that its income available for distribution to shareholders would be reduced and distributions from its current or accumulated earnings and profits would generally be taxable to its shareholders as dividend income.

Acruence Active Hedge U.S. Equity ETF

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS March 31, 2023 (Continued)

- N. *U.S. Treasury Securities Risk.* The Fund may invest in U.S. Treasury securities issued or guaranteed by the U.S. Treasury. U.S. government securities are subject to market risk, interest rate risk and counterparty risk. Securities, such as those issued or guaranteed by the U.S. Treasury, that are backed by the full faith and credit of the United States are guaranteed only as to the timely payment of interest and principal when held to maturity and the market prices for such securities will fluctuate. Notwithstanding that these securities are backed by the full faith and credit of the United States, circumstances could arise that would prevent the payment of interest or principal. This would result in losses to the Fund.

NOTE 4 – COMMITMENTS AND OTHER RELATED PARTY TRANSACTIONS

The Adviser serves as investment adviser to the Fund pursuant to an investment advisory agreement between the Adviser and the Trust, on behalf of the Fund (the “Advisory Agreement”), and, pursuant to the Advisory Agreement, provides investment advice to the Fund and oversees the day-to-day operations of the Fund, subject to oversight of the Board. The Adviser is also responsible for trading portfolio securities for the Fund, including selecting broker-dealers to execute purchase and sale transactions, subject to the supervision of the Board. The Adviser provides oversight of the Sub-Adviser and review of the Sub-Adviser’s performance.

Pursuant to the Advisory Agreement, the Fund pays the Adviser a unitary management fee (the “Management Fee”) based on the average daily net assets of the Fund at the annualized rate of 0.83%. Out of the Management Fee, the Adviser is obligated to pay or arrange for the payment of substantially all expenses of the Fund, including the cost of transfer agency, custody, fund administration, and all other related services necessary for the Fund to operate. 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, extraordinary expenses, and distribution fees and expenses paid by the Fund under any distribution plan adopted pursuant to Rule 12b-1 under the 1940 Act (collectively, “Excluded Expenses”), and the Management Fee payable to the Adviser. The Management Fees incurred are paid monthly to the Adviser. Management fees for the fiscal year ended March 31, 2023 are disclosed in the Consolidated Statement of Operations.

Acruence Capital, LLC serves as sub-adviser to the Fund, pursuant to a sub-advisory agreement between the Adviser and the Sub-Adviser with respect to the Fund (the “Sub-Advisory Agreement”). Pursuant to the Sub-Advisory Agreement, 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. The Sub-Adviser is paid a fee by the Adviser, which is calculated and paid monthly, at an annual rate of 0.02% of the Fund’s average daily net assets. The Sub-Adviser has agreed to assume the Adviser’s obligation to pay all expenses incurred by the Fund, except for the sub-advisory fee payable to the Sub-Adviser and Excluded Expenses. For assuming the payment obligations for the Fund, the Adviser has agreed to pay the Sub-Adviser the profits, if any, generated by the Fund’s unitary fee. Expenses incurred by the Fund and paid by the Sub-Adviser include fees charged by Tidal ETF Services LLC, the Fund’s administrator and an affiliate of the Adviser.

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 and Fund Services. Neither the affiliated trustee nor the Trust’s officers receive compensation from the Fund.

NOTE 5 – PURCHASES AND SALES OF SECURITIES

For the year ended March 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 \$4,469,213 and \$69,130,555, respectively.

Acruence Active Hedge U.S. Equity ETF

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS March 31, 2023 (Continued)

For the year ended March 31, 2023, there were no purchases or sales of long-term U.S. government securities.

For the year ended March 31, 2023, in-kind transactions associated with creations and redemptions for the Fund were \$1,743,680 and \$9,939,431, respectively.

NOTE 6 – INCOME TAXES AND DISTRIBUTIONS TO SHAREHOLDERS

The tax character of distributions paid during the year ended March 31, 2023 and period ended March 31, 2022 was as follows:

Distributions paid from:	March 31, 2023	March 31, 2022
Ordinary income	\$ 345,005	\$ 292,000

As of March 31, 2023, the components of accumulated earnings (losses) on a tax basis were as follows:

	March 31, 2023
Cost of investment ⁽¹⁾	\$ 13,784,204
Gross tax unrealized appreciation	1,903,045
Gross tax unrealized depreciation	(2,705,070)
Net tax unrealized appreciation (depreciation)	(802,025)
Undistributed ordinary income (loss)	30,263
Undistributed long-term capital gain (loss)	—
Total distributable earnings	30,263
Other accumulated gain (loss)	(12,706,408)
Total accumulated gain (loss)	\$ (13,478,170)

⁽¹⁾ The difference between book and tax-basis unrealized appreciation was attributable primarily to the treatment of wash sales.

Net capital losses incurred after October 31 and net investment losses incurred after March 31, and within the taxable year, are deemed to arise on the first business day of the Fund's next taxable year. As of the most recent fiscal year ended March 31, 2023, the Fund had no later year losses. As of the most recent fiscal year ended March 31, 2023, the Fund had long-term and short-term capital loss carryovers of \$7,115,633 and \$5,590,775, respectively, which do not expire.

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 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 \$500, 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% 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 Consolidated Statement 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.

Acruence Active Hedge U.S. Equity ETF

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS March 31, 2023 (Continued)

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

Acruence Active Hedge U.S. Equity ETF

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders of
Acruence Active Hedge U.S. Equity ETF and
The Board of Trustees of
Tidal ETF Trust

Opinion on the Financial Statements

We have audited the accompanying consolidated statement of assets and liabilities of Acruence Active Hedge U.S. Equity ETF (the “Fund”), a series of Tidal ETF Trust (the “Trust”), including the consolidated schedule of investments, as of March 31, 2023, the related consolidated statement of operations for the year ended March 31, 2023, the consolidated statement of changes in net assets and the consolidated financial highlights for the year ended March 31, 2023 and for the period April 21, 2021 (commencement of operations) to March 31, 2022, and the related notes (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Fund as of March 31, 2023, the results of its consolidated operations for the year ended March 31, 2023, the changes in its consolidated net assets and the consolidated financial highlights for the year ended March 31, 2023 and for the period April 21, 2021 to March 31, 2022, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These consolidated financial statements are the responsibility of the Fund’s management. Our responsibility is to express an opinion on the Fund’s consolidated financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Fund in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB. We have served as the auditor of one or more of the funds in the Trust since 2018.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Fund is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Fund’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audit included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our procedures included confirmation of securities owned as of March 31, 2023, by correspondence with the custodian and prime broker. We believe that our audit provides a reasonable basis for our opinion.



TAIT, WELLER & BAKER LLP

Philadelphia, Pennsylvania
May 25, 2023

Acruence Active Hedge U.S. Equity ETF

EXPENSE EXAMPLE For the Six-Months Ended March 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 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 October 1, 2022 to March 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 October 1, 2022	Ending Account Value March 31, 2023	Expenses Paid During the Period October 1, 2022 - March 31, 2023⁽¹⁾
Actual	\$ 1,000.00	\$ 1,133.70	\$ 4.42
Hypothetical (5% annual return before expenses)	\$ 1,000.00	\$ 1,020.79	\$ 4.18

⁽¹⁾ Expenses are equal to the Fund's annualized net expense ratio of 0.83%, multiplied by the average account value over the period, multiplied by 182/365 (to reflect the most recent six-month period).

Acrucence Active Hedge U.S. Equity ETF

TRUSTEES AND EXECUTIVE OFFICERS (Unaudited)

Name, Address and Year of Birth	Position Held with the Trust	Term of Office and Length of Time Served	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex Overseen by Trustee	Other Directorships Held by Trustee During Past 5 Years
Independent Trustees⁽¹⁾					
Mark H.W. Baltimore c/o Tidal ETF Services, LLC 234 West Florida Street, Suite 203 Milwaukee, Wisconsin 53204 Born: 1967	Trustee	Indefinite term; since 2018	Co-Chief Executive Officer, Global Rhino, LLC (asset management consulting firm) (since 2018); Chief Business Development Officer, Joot (asset management compliance services firm) (since 2019); Chief Executive Officer, Global Sight, LLC (asset management distribution consulting firm) (2016-2018).	47	None
Dusko Culafic c/o Tidal ETF Services, LLC 234 West Florida Street, Suite 203 Milwaukee, Wisconsin 53204 Born: 1958	Trustee	Indefinite term; since 2018	Retired (since 2018); Senior Operational Due Diligence Analyst, Aurora Investment Management, LLC (2012–2018).	47	None
Eduardo Mendoza c/o Tidal ETF Services, LLC 234 West Florida Street, Suite 203 Milwaukee, Wisconsin 53204 Born: 1966	Trustee	Indefinite term; since 2018	Chief Financial Officer (since 2022), Executive Vice President - Head of Capital Markets & Corporate Development (since 2019), Advisor (2017-2019), Credijusto (financial technology company).	47	None
Interested Trustee and Executive Officer					
Eric W. Falkeis ⁽²⁾ c/o Tidal ETF Services, LLC 234 West Florida Street, Suite 203 Milwaukee, Wisconsin 53204 Born: 1973	President, Principal Executive Officer, Interested Trustee, Chairman, and Secretary	President and Principal Executive Officer since 2019, Indefinite term; Interested Trustee, Chairman, and Secretary since 2018, Indefinite term	Chief Executive Officer, Tidal ETF Services LLC (since 2018); Chief Operating Officer (and other positions), Rafferty Asset Management, LLC (2013 to 2018) and Direxion Advisors, LLC (2017 to 2018).	47	Trustee, Tidal Trust II (8 series) (since 2022); Independent Director, Muzinich BDC, Inc. (since 2019); Trustee, Professionally Managed Portfolios (25 series) (since 2011); Interested Trustee, Direxion Funds, Direxion Shares ETF Trust, and Direxion Insurance Trust (2014–2018).

Acruence Active Hedge U.S. Equity ETF

TRUSTEES AND EXECUTIVE OFFICERS (Unaudited) (Continued)

Name, Address and Year of Birth	Position Held with the Trust	Term of Office and Length of Time Served	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex Overseen by Trustee	Other Directorships Held by Trustee During Past 5 Years
Executive Officers					
Aaron J. Perkovich c/o Tidal ETF Services, LLC 234 West Florida Street, Suite 203 Milwaukee, Wisconsin 53204 Born: 1973	Treasurer, Principal Financial Officer, and Principal Accounting Officer	Indefinite term; since 2022	Head of Fund Administration (since 2023), Fund Administration Manager (2022 to 2023), Tidal ETF Services LLC; Assistant Director – Investments, Mason Street Advisors, LLC (2021 to 2022); Vice President, U.S. Bancorp Fund Services, LLC (2006 to 2021).	Not Applicable	Not Applicable
William H. Woolverton, Esq. c/o Tidal ETF Services, LLC 234 West Florida Street, Suite 203 Milwaukee, Wisconsin 53204 Born: 1951	Chief Compliance Officer and AML Compliance Officer	AML Compliance Officer since 2023, Indefinite term; Chief Compliance Officer since 2021, Indefinite term	Chief Compliance Officer (since 2023), Compliance Advisor (2022 to 2023), Toroso Investments, LLC; Chief Compliance Officer, Tidal ETF Services LLC (since 2022); Senior Compliance Advisor, Cipperman Compliance Services, LLC (2020 to 2022); Operating Partner, Altamont Capital Partners (private equity firm) (since 2021); Managing Director and Head of Legal - US, Waystone (global governance solutions) (2016 to 2019).	Not Applicable	Not Applicable
Ally L. Mueller c/o Tidal ETF Services, LLC 234 West Florida Street, Suite 203 Milwaukee, Wisconsin 53204 Born: 1979	Assistant Treasurer	Indefinite term; since 2022	Head of ETF Launches and Client Success (since 2023), Head of ETF Launches and Finance Director (2019 to 2023), Tidal ETF Services LLC.	Not Applicable	Not Applicable
Melissa Breitzman c/o Tidal ETF Services, LLC 234 West Florida Street, Suite 203 Milwaukee, Wisconsin 53204 Born: 1983	Assistant Treasurer	Indefinite term; since 2023	Fund Administration Manager, Tidal ETF Services LLC (since 2023); Assistant Vice President, U.S Bancorp Fund Services, LLC (2005 to 2023).	Not Applicable	Not Applicable
Lissa M Richter c/o Tidal ETF Services, LLC 234 West Florida Street, Suite 203 Milwaukee, Wisconsin 53204 Born: 1979	Assistant Secretary	Indefinite term; since 2023	ETF Regulatory Manager (since 2021), Tidal ETF Services LLC; Senior Paralegal, Rafferty Asset Management, LLC (2013 to 2020); Senior Paralegal, Officer, U.S Bancorp Fund Services LLC (2005 to 2013).	Not Applicable	Not Applicable

⁽¹⁾ All Independent Trustees of the Trust are not “interested persons” of the Trust as defined under the 1940 Act (“Independent Trustees”).

⁽²⁾ Mr. Falkeis is considered an “interested person” of the Trust due to his positions as President, Principal Executive Officer, Chairman and Secretary of the Trust, and Chief Executive Officer of Tidal ETF Services LLC, a Tidal Financial Group company and an affiliate of the Adviser.

Acruence Active Hedge U.S. Equity 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 ETF Trust (the “Trust”), on behalf of its series, the Acruence Active Hedge U.S. Equity 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 reasonably designed and operating effectively.

Acruence Active Hedge U.S. Equity ETF

ADDITIONAL INFORMATION

QUALIFIED DIVIDEND INCOME/DIVIDENDS RECEIVED DEDUCTION (Unaudited)

For the year ended March 31, 2023, certain dividends paid by the Fund may be subject to a maximum tax rate of 23.8%, as provided for by the Jobs and Growth Tax Relief Reconciliation Act of 2003 and the Tax Cuts and Jobs Act of 2017. The percentage of dividends declared from ordinary income designated as qualified dividend income for the year ended March 31, 2023 was 100%.

For corporate shareholders, the percent of ordinary income distributions qualifying for the corporate dividends received deduction for the year ended March 31, 2023, was 100%.

The percentage of taxable ordinary income distributions that are designated as short-term capital gain distribution under Internal Revenue Section 871(k)(2)(c) for the year ended March 31, 2023, was 0%.

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 (833) 653-6400 or by accessing the Fund's website at www.acruenceetf.com. 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 period ended June 30 is available upon request without charge by calling (833) 653-6400 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.acruenceetf.com. 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 (833) 653-6400. 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.acruenceetf.com.

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 (833) 653-6400. Furthermore, you can obtain the SAI on the SEC's website at www.sec.gov or the Fund's website at www.acruenceetf.com.

Investment Adviser

Toroso Investments, LLC
234 West Florida Street, Suite 203
Milwaukee, Wisconsin 53204

Investment Sub-Adviser

Acruence Capital, LLC
539 West Commerce Street, Suite 3770
Dallas, Texas 75208

Independent Registered Public Accounting Firm

Tait, Weller & Baker LLP
Two Liberty Place
50 South 16th Street, Suite 2900
Philadelphia, Pennsylvania 19102

Legal Counsel

Godfrey & Kahn, S.C.
833 East Michigan Street, Suite 1800
Milwaukee, Wisconsin 53202

Custodian

U.S. Bank N.A. Custody Operations
1555 North RiverCenter Drive, Suite 302
Milwaukee, Wisconsin 53212

Fund Administrator

Tidal ETF Services LLC
234 West Florida Street, Suite 203
Milwaukee, Wisconsin 53204

Transfer Agent, Fund Accountant and Fund Sub-Administrator

U.S. Bancorp Fund Services, LLC
615 East Michigan Street
Milwaukee, Wisconsin 53202

Distributor

Forside Fund Services, LLC
Three Canal Plaza, Suite 100
Portland, Maine 04101

Fund Information

Fund	Ticker	CUSIP
Acruence Active Hedge U.S. Equity ETF	XVOL	886364744