



# SONICSHARES

## **Core Financial Statements September 30, 2024 (Unaudited)**

**Tidal ETF Trust**

SonicShares Global Shipping ETF

| BOAT | NYSE Arca, Inc.

# SonicShares™ Global Shipping ETF

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# Schedule of Investments

# SonicShares™ Global Shipping ETF

September 30, 2024 (Unaudited)

<b>COMMON STOCKS - 98.4%</b>	<b>Shares</b>	<b>Value</b>
<b>Transportation - 98.4%<sup>(a)</sup></b>		
2020 Bulkers Ltd.	10,147	\$ 150,192
AP Moller - Maersk A/S - Class B	1,485	2,503,346
Ardmore Shipping Corp.	18,200	329,420
Avance Gas Holding Ltd. (Acquired 12/15/2023 - 06/27/2024; Cost \$442,667) <sup>(b)</sup>	33,729	338,166
BW LPG Ltd. (Acquired 07/26/2022 - 06/27/2024; Cost \$739,469) <sup>(b)</sup>	61,003	871,666
COSCO SHIPPING Energy Transportation Co. Ltd. - Class H	547,013	666,909
COSCO SHIPPING Holdings Co. Ltd. - Class H	1,343,646	2,255,699
Costamare, Inc.	51,415	808,244
d'Amico International Shipping SA	54,129	345,548
Danaos Corp. <sup>(c)</sup>	8,445	732,519
DHT Holdings, Inc.	69,723	769,045
Diana Shipping, Inc.	53,062	136,369
Dorian LPG Ltd.	17,712	609,647
Euroseas Ltd.	3,094	151,142
FLEX LNG Ltd.	23,520	606,945
Frontline PLC <sup>(c)</sup>	76,629	1,750,973
Genco Shipping & Trading Ltd.	18,645	363,578
Global Ship Lease, Inc. - Class A	15,296	407,638
Golden Ocean Group Ltd.	88,716	1,185,952
Hapag-Lloyd AG (Acquired 02/15/2022 - 06/27/2024; Cost \$1,460,384) <sup>(b)</sup>	7,589	1,378,863
Heung-A Shipping Co. Ltd. <sup>(d)</sup>	105,884	191,898
Himalaya Shipping Ltd.	19,187	164,861
HMM Co. Ltd.	189,766	2,688,968
Hoegh Autoliners ASA	83,126	1,074,131
International Seaways, Inc.	32,882	1,695,396
Kawasaki Kisen Kaisha Ltd.	163,845	2,536,024
Matson, Inc.	16,767	2,391,310
Mitsui OSK Lines Ltd. <sup>(c)</sup>	78,430	2,700,966
MPC Container Ships ASA	193,251	446,769
Navigator Holdings Ltd.	31,900	512,633
Nordic American Tankers Ltd.	91,047	334,142
NS United Kaiun Kaisha Ltd.	10,436	329,043
Okeanis Eco Tankers Corp. (Acquired 12/16/2022 - 06/27/2024; Cost \$577,354) <sup>(b)</sup>	21,373	702,108
Orient Overseas International Ltd.	140,424	1,995,856
Pacific Basin Shipping Ltd.	2,220,241	706,018
Pan Ocean Co. Ltd.	237,223	724,712
Pangaea Logistics Solutions Ltd.	20,658	149,357
Safe Bulkers, Inc.	48,675	252,137
Samudera Shipping Line Ltd.	234,947	149,362
Scorpio Tankers, Inc.	25,578	1,823,711
Seenergy Maritime Holdings Corp.	9,166	113,842
SFL Corp. Ltd.	60,035	694,605
SITC International Holdings Co. Ltd.	929,722	2,513,571
Star Bulk Carriers Corp.	80,564	1,908,561
Stolt-Nielsen Ltd.	23,212	859,487
Teekay Tankers Ltd. - Class A	12,815	746,474
Wallenius Wilhelmsen ASA	206,766	2,438,165
ZIM Integrated Shipping Services Ltd. <sup>(c)</sup>	52,079	1,336,347
		48,542,315
<b>TOTAL COMMON STOCKS</b> (Cost \$43,109,196)		48,542,315

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

# Schedule of Investments

# SonicShares™ Global Shipping ETF

September 30, 2024 (Unaudited)

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**SHORT-TERM INVESTMENTS - 11.8%**

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**Investments Purchased with Proceeds from Securities Lending - 11.5%**

Mount Vernon Liquid Assets Portfolio, LLC, 5.02% <sup>(e)</sup>	5,667,334	5,667,333
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**Money Market Funds - 0.3%**

First American Government Obligations Fund - Class X, 4.82% <sup>(e)</sup>	143,872	143,872
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<b>TOTAL SHORT-TERM INVESTMENTS (Cost \$5,811,205)</b>		<b>5,811,205</b>
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<b>TOTAL INVESTMENTS - 110.2%</b> (Cost \$48,920,401)		<b>54,353,520</b>
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Liabilities in Excess of Other Assets - (10.2)%		(5,052,616)
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<b>TOTAL NET ASSETS - 100.0%</b>		<b>\$ 49,300,904</b>
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Percentages are stated as a percent of net assets.

AG - Aktiengesellschaft

A/S - Aksjeselskap

ASA - Advanced Subscription Agreement

PLC - Public Limited Company

SA - Sociedad Anónima

- (a) To the extent that the Fund invests more heavily in a particular industry or sector of the economy, its performance will be especially sensitive to developments that significantly affect those industries or sectors.
- (b) Security considered restricted. The total market value of these securities was \$3,290,803 which represented 6.7% of net assets as of September 30, 2024.
- (c) All or a portion of this security is on loan as of September 30, 2024. The total market value of these securities was \$5,442,458 which represented 11.0% of net assets.
- (d) Non-income producing security.
- (e) The rate shown represents the 7-day annualized effective yield as of September 30, 2024.

# Statement of Assets and Liabilities

# SonicShares™ Global Shipping ETF

For the Period Ended September 30, 2024 (Unaudited)

## ASSETS:

Investments, at value (Note 2)	\$	54,353,520
Dividends receivable		637,477
Security lending income receivable (Note 5)		1,998
Interest receivable		1,813
Receivable for investments sold		6
Total assets		<u>54,994,814</u>

## LIABILITIES:

Payable upon return of securities loaned (Note 5)		5,667,333
Payable to adviser (Note 4)		26,569
Payable for expense and other liabilities		8
Total liabilities		<u>5,693,910</u>
<b>NET ASSETS</b>	<b>\$</b>	<b><u>49,300,904</u></b>

## NET ASSETS CONSISTS OF:

Paid-in capital	\$	46,267,397
Total distributable earnings		3,033,507
Total net assets	\$	<u>49,300,904</u>

Net assets	\$	49,300,904
Shares issued and outstanding		1,375,000
Net asset value per share	\$	35.86

## COST:

Investments, at cost	\$	48,920,401
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## LOANED SECURITIES:

at value (included in investments)	\$	5,442,458
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# Statement of Operations

# SonicShares™ Global Shipping ETF

For the Period Ended September 30, 2024 (Unaudited)

## INVESTMENT INCOME:

Dividend income	\$	2,194,820
Less: Dividend withholding taxes		(172,871)
Interest income		5,140
Securities lending income (Note 5)		35,829
Total investment income		<u>2,062,918</u>

## EXPENSES:

Investment advisory fee (Note 4)		173,929
Interest expense		59
Total expenses		<u>173,988</u>
NET INVESTMENT INCOME		<u>1,888,930</u>

## REALIZED AND UNREALIZED GAIN

Net realized gain from:

Investments		1,485,538
Foreign currency translation		(6,678)
Net realized gain		<u>1,478,860</u>

Net change in unrealized appreciation on:

Investments		6,136,338
Foreign currency translation		6,704
Net change in unrealized appreciation		<u>6,143,042</u>
Net realized and unrealized gain		<u>7,621,902</u>

**NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS**

\$ 9,510,832

# Statements of Changes in Net Assets

# SonicShares™ Global Shipping ETF

	Period ended September 30, 2024 (Unaudited)	Year ended March 31, 2024
<b>OPERATIONS:</b>		
Net investment income	\$ 1,888,930	\$ 2,717,441
Net realized gain/(loss)	1,478,860	(182,753)
Net change in unrealized appreciation	6,143,042	1,163,307
Net increase in net assets from operations	<u>9,510,832</u>	<u>3,697,995</u>
<b>DISTRIBUTIONS TO SHAREHOLDERS:</b>		
Distributions to shareholders	(1,663,038)	(3,426,964)
Total distributions to shareholders	<u>(1,663,038)</u>	<u>(3,426,964)</u>
<b>CAPITAL TRANSACTIONS:</b>		
Subscriptions	5,489,995	29,415,585
Redemptions	(7,487,220)	(8,319,343)
ETF transaction fees (Note 9)	739	21,469
Net increase (decrease) in net assets from capital transactions	<u>(1,996,486)</u>	<u>21,117,711</u>
<b>NET INCREASE IN NET ASSETS</b>	<u>5,851,308</u>	<u>21,388,742</u>
<b>NET ASSETS:</b>		
Beginning of the period/year	<u>43,449,596</u>	<u>22,060,854</u>
End of the period/year	<u>\$ 49,300,904</u>	<u>\$ 43,449,596</u>
<b>SHARES TRANSACTIONS</b>		
Subscriptions	150,000	1,000,000
Redemptions	(225,000)	(275,000)
Total increase/(decrease) in shares outstanding	<u>(75,000)</u>	<u>725,000</u>

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

## Financial Highlights

## SonicShares™ Global Shipping ETF

For a share outstanding throughout the periods/years presented

	Period ended September 30, 2024 (Unaudited)	Year ended March 31, 2024	Year ended March 31, 2023	Period ended March 31, 2022 <sup>(a)</sup>
<b>PER SHARE DATA:</b>				
Net asset value, beginning of period	\$29.97	\$30.43	\$34.62	\$25.00
<b>INVESTMENT OPERATIONS:</b>				
Net investment income <sup>(b)</sup>	1.29	2.82	3.74	2.30
Net realized and unrealized gain (loss) on investments <sup>(c)</sup>	5.75	0.76	(4.65)	8.47
Total from investment operations	7.04	3.58	(0.91)	10.77
<b>LESS DISTRIBUTIONS FROM:</b>				
Net investment income	(1.15)	(4.06)	(3.33)	(1.18)
Total distributions	(1.15)	(4.06)	(3.33)	(1.18)
ETF transaction fees per share	0.00 <sup>(d)</sup>	0.02	0.05	0.03
Net asset value, end of period/year	\$35.86	\$29.97	\$30.43	\$34.62
<b>TOTAL RETURN<sup>(e)</sup></b>	23.50%	13.81%	-1.05%	43.59%
<b>SUPPLEMENTAL DATA AND RATIOS:</b>				
Net assets, end of period/year (in thousands)	\$49,301	\$43,450	\$22,061	\$29,426
Ratio of expenses to average net assets <sup>(f)</sup>	0.69%	0.69%	0.69%	0.69%
Ratio of interest expense to average net assets <sup>(f)</sup>	0.00% <sup>(g)</sup>	–%	–%	–%
Ratio of operational expenses to average net assets excluding interest expense <sup>(f)</sup>	0.69%	0.69%	0.69%	0.69%
Ratio of net investment income to average net assets <sup>(f)</sup>	7.49%	9.57%	12.44%	11.51%
Portfolio turnover rate <sup>(e)(h)</sup>	11%	34%	47%	39%

(a) Inception date of the Fund was August 3, 2021.

(b) Net investment income per share has been calculated based on average shares outstanding during the period/year.

(c) Realized and unrealized gains and losses per share in the caption are balancing amounts necessary to reconcile the change in net asset value per share for the years, and may not reconcile with the aggregate gains and losses in the Statement of Operations due to share transactions for the period/year.

(d) Amount represents less than \$0.005 per share.

(e) Not annualized for periods less than one year.

(f) Annualized for periods less than one year.

(g) Amount represents less than 0.005%.

(h) Portfolio turnover rate excludes in-kind transactions.



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**NOTE 1 – ORGANIZATION**

The SonicShares™ Global Shipping ETF (the “Fund”) is a diversified series of shares of beneficial interest of Tidal ETF Trust (the “Trust”). The Fund commenced operations as a non-diversified series of the Trust; however, the Fund continuously operated as diversified for three years and as of August 3, 2024, is now classified as diversified. 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 (“Shares”) is registered under the Securities Act of 1933, as amended. The Trust is governed by the Board of Trustees (the “Board”). Tidal Investments LLC (“Tidal Investments” or the “Adviser”), a Tidal Financial Group company, serves as investment 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 Standards Codification Topic 946 “Financial Services—Investment Companies.” The Fund commenced operations on August 3, 2021.

The investment objective of the Fund is to seek to track the performance, before fees and expenses, of the Solactive Global Shipping Index (the “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”), Business Development Companies (“BDCs”), and Master Limited Partnerships (“MLPs”), 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 each day that the Fund is open for business.

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 (“NAV”) of its shares to differ significantly from the NAV that would be calculated without regard to such considerations.

As described above, the Fund utilizes various methods to measure the fair value of its investments on a recurring basis. U.S. GAAP establishes a hierarchy that prioritizes inputs to valuation methods. The three levels of inputs are:

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

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

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markets, and other characteristics particular to the security. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3.

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

The following is a summary of the inputs used to value the Fund's investments as of September 30, 2024:

Investments:

Common Stocks	\$ 48,542,315	\$	–	\$	–	\$ 48,542,315
Investments Purchased with Proceeds from Securities						
Lending <sup>(a)</sup>	–	–	–	–	–	5,667,333
Money Market Funds	143,872	–	–	–	–	143,872
Total Investments	<u>\$ 48,686,187</u>	<u>\$</u>	<u>–</u>	<u>\$</u>	<u>–</u>	<u>\$ 54,353,520</u>

Refer to the Schedule of Investments for the industry breakout.

- (a) Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been categorized in the fair value hierarchy. The fair value amounts presented in the table are intended to permit reconciliation of the fair value hierarchy to the amounts listed in the Schedule of Investments.

- B. *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 a registered investment company, the Fund is subject to a 4% excise tax that is imposed if the Fund does not distribute by the end of any calendar year at least the sum of (i) 98% of its ordinary income (not taking into account any capital gain or loss) for the calendar year and (ii) 98.2% of its capital gain in excess of its capital loss (adjusted for certain ordinary losses) for a one year period generally ending on October 31 of the calendar year (unless an election is made to use the fund's fiscal year). The Fund generally intends to distribute income and capital gains in the manner necessary to minimize (but not necessarily eliminate) the imposition of such excise tax. The Fund may retain income or capital gains and pay excise tax when it is determined that doing so is in the best interest of shareholders. Management, in consultation with the Board of Trustees, evaluates the costs of the excise tax relative to the benefits of retaining income and capital gains, including that such undistributed amounts (net of the excise tax paid) remain available for investment by the Fund and are available to supplement future distributions. Tax expense is disclosed in the Statement of Operations, if applicable.

As of September 30, 2024, the Fund did not have any tax positions that did not meet the threshold of being sustained by the applicable tax authority. Generally, tax authorities can examine all the tax returns filed for the last three years. The Fund identifies its major tax jurisdiction as U.S. Federal and the Commonwealth of Delaware; however, the Fund is not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will change materially. The Fund recognizes interest and penalties, if any, related to unrecognized tax benefits on uncertain tax positions as income tax expense in the Statement of Operations.

- C. *Securities Transactions and Investment Income.* Investment securities transactions are accounted for on the trade date. Gains and losses realized on sales of securities are determined on a specific identification basis. Discounts/premiums on debt securities purchased are accreted/amortized over the life of the respective securities using the effective interest method. Dividend income is recorded on the ex-dividend date. Dividends received from REITs generally are comprised of ordinary income, capital gains, and may include return of capital. Debt income is recorded on an accrual basis. Other non-cash dividends are recognized as investment income at the fair value of the property received. Withholding taxes on foreign dividends have been provided for in accordance with the Fund's understanding of the applicable country's tax rules and rates.

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- D. *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.

- E. *Distributions to Shareholders.* Distributions to shareholders from net investment income, if any, for the Fund are declared and paid at least quarterly. 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.
- F. *Use of Estimates.* The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in net assets from operations during the reporting period. Actual results could differ from those estimates.
- G. *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.
- H. *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.
- I. *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 a 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. *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. The Fund is currently evaluating the impact, if any, of these amendments on the financial statements.

### NOTE 3 – PRINCIPAL INVESTMENT RISKS

- A. *Associated Risks of Investing in Global Shipping Companies.* Companies in the shipping industry may be adversely affected by various factors, including, among others, volatile fluctuations in the price and supply of fuels and raw materials, changes in seaborne transportation patterns, downturn in domestic and/or global economies, changes in domestic and/or global consumption patterns, changes in domestic and/or global manufacturing patterns, changes in global demand for particular products or resources, a decrease in international trade, natural disasters or events, weather delays, weather patterns and weather-related events, including hurricanes, pandemic diseases, the congestion, blockage or shutdown of key ports, channels, canals and shipping routes, commodity prices, taxes, tariffs, sanctions, trade wars, embargoes, enactment of adverse laws, rules and/or regulations, labor shortages, labor strikes, imposition of emissions standards and other environment-related rules

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and regulations, domestic or international politics and conflicts, including war or threat of war, computer and/or software malfunction, piracy, cyber attacks and terrorism. Any factor or factors adversely affecting companies in the shipping industry could have a significant adverse impact on the Fund's performance.

- B. *Concentration Risk.* The Fund's investments will be concentrated in an industry or group of industries to the extent the Index is so concentrated. In such event, the value of shares of the Fund ("Shares") may rise and fall more than the value of shares that invest in securities of companies in a broader range of industries. See "Transportation Industry Risk" below.
- 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. *Currency Exchange Rate Risk.* The Fund's assets may include exposure to investments denominated in non-U.S. currencies or in securities or other assets that provide exposure to such currencies. Changes in currency exchange rates and the relative value of non-U.S. currencies will affect the value of the Fund's investments and the value of your Fund shares. Currency exchange rates can be very volatile and can change quickly and unpredictably. As a result, the value of an investment in the Fund may change quickly and without warning and you may lose money.
- E. *Depository Receipt Risk.* Depository receipts involve risks similar to those associated with investments in foreign securities and give rise to certain additional risks. Depository receipts listed on U.S. or foreign exchanges are issued by banks or trust companies, and entitle the holder to all dividends and capital gains that are paid out on the underlying foreign shares ("Underlying Shares"). When the Fund invests in depository receipts as a substitute for an investment directly in the Underlying Shares, the Fund is exposed to the risk that the depository receipts may not provide a return that corresponds precisely with that of the Underlying Shares.
- F. *Foreign Securities Risk.* Investments in securities or other instruments of non-U.S. issuers involve certain risks not involved in domestic investments and may experience more rapid and extreme changes in value than investments in securities of U.S. companies. Financial markets in foreign countries often are not as developed, efficient, or liquid as financial markets in the United States, and therefore, the prices of non-U.S. securities and instruments can be more volatile. In addition, the Fund will be subject to risks associated with adverse political and economic developments in foreign countries, which may include the imposition of economic sanctions. Generally, there is less readily available and reliable information about non-U.S. issuers due to less rigorous disclosure or accounting standards and regulatory practices.
- G. *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.
- H. *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.
  - *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.

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- *Shares May Trade at Prices Other Than NAV.* As with all ETFs, Shares may be bought and sold in the secondary market 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 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 the NYSE Arca, 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. This adverse effect 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.
- I. *Cybersecurity Risk.* With the Internet and other technologies being a prevailing way to conduct business, the Fund is susceptible to operational, information security, and related risks. Cyber incidents affecting the Fund or its service providers may cause disruptions and impact business operations, potentially resulting in financial losses, interference with the Fund's ability to calculate its NAV, impediments to trading, the inability of shareholders to transact business, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs.
- J. *Index Risk.* The Index may not reflect all companies meeting the Index's eligibility criteria if certain characteristics of a company are not known at the time the Index is composed or reconstituted.
- K. *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.
  - *Mid-Capitalization Investing.* The securities of mid-capitalization companies may be more vulnerable to adverse issuer, market, political, or economic developments than securities of large-capitalization companies. The securities of mid-capitalization companies generally trade in lower volumes and are subject to greater and more unpredictable price changes than large-capitalization stocks or the stock market as a whole.
  - *Small-Capitalization Investing.* The securities of small-capitalization companies may be more vulnerable to adverse issuer, market, political, or economic developments than securities of large- or mid-capitalization companies. The securities of small-capitalization companies generally trade in lower volumes and are subject to greater and more unpredictable price changes than large- or mid-capitalization stocks or the stock market as a whole. There is typically less publicly available information concerning smaller-capitalization companies than for larger, more established companies.
- L. *Passive Investment Risk.* The Fund invests in the securities included in, or representative of, its Index regardless of their investment merit. The Fund does not attempt to outperform its Index or take defensive positions in declining markets. As a result, the Fund's performance may be adversely affected by a general decline in the market segments relating to its Index.
- M. *Sector Risk.* To the extent the Fund invests more heavily in particular sectors of the economy, its performance will be especially sensitive to developments that significantly affect those sectors. The Fund may invest a significant portion of its assets in the following sectors and, therefore, the performance of the Fund could be negatively impacted by events affecting each of these sectors.
- *Industrials Sector Risk.* Companies operating in the industrials sector or issuers in industrials-related industries may be significantly affected by, among other things, worldwide economic growth, changes in supply and demand for specific products and services, product obsolescence, rapid technological developments, international, political and economic

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developments, environmental issues, tax and governmental regulatory policies, claims for environmental damage or product liability and general economic conditions. Any factors adversely affecting companies in the industrials sector could have a significant adverse impact on Global Shipping Companies and on the Fund's performance.

- *Transportation Industry Risk.* Companies in the transportation industry, including companies engaged in the water transportation industry, may be adversely affected by economic changes, increases in fuel and operating costs, labor relations and insurance costs. Transportation companies may also be subject to significant government regulation and oversight, which may adversely affect their businesses.
- N. *Third Party Data Risk.* The composition of the Index, and consequently the Fund's portfolio, is heavily dependent on information and data calculated and published by an independent third party calculation agent ("Third Party Data"). When Third Party Data proves to be incorrect or incomplete, any decisions made in reliance thereon may lead to the inclusion or exclusion of securities from the Index that would have been excluded or included had the Third Party Data been correct and complete. If the composition of the Index reflects such errors, the Fund's portfolio can also be expected to reflect the errors.
- O. *Tracking Error Risk.* As with all index funds, the performance of the Fund and its Index may differ from each other for a variety of reasons. For example, the Fund incurs operating expenses and portfolio transaction costs not incurred by the Index. In addition, the Fund may not be fully invested in Index Components at all times or may hold securities not included in the Index.
- P. *Underlying Index Risk.* Neither the Fund's investment adviser nor Solactive AG (the "Index Provider") is able to guarantee the continuous availability or timeliness of the production of the Index. The calculation and dissemination of the Index values may be delayed if the information technology or other facilities of the Index Provider, calculation agent, data providers and/or relevant stock exchange malfunction for any reason. A significant delay may cause trading in shares of the Fund to be suspended. Errors in Index data, computation and/or the construction in accordance with its methodology may occur from time to time and may not be identified and corrected by the Index Provider, calculation agent or other applicable party for a period of time or at all, which may have an adverse impact on the Fund and its shareholders.

#### 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, has overall responsibility for the general management and administration of the Fund, subject to the direction and oversight of the Board. The Adviser is also responsible for trading portfolio securities on behalf of the Fund, including selecting broker-dealers to execute purchase and sales transactions, subject to the supervision of the Board.

Pursuant to the Advisory Agreement, the Fund pays the Adviser a unitary management fee (the "Investment Advisory Fee") based on the average daily net assets of the Fund at the annualized rate of 0.69%. Out of the Investment Advisory 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 (the "Excluded Expenses"), and the Investment Advisory Fee payable to the Adviser. The Investment Advisory Fees incurred are paid monthly to the Adviser. Investment Advisory Fees for the six-months ended September 30, 2024 are disclosed in the Statement of Operations.

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. The Custodian acts as the securities lending agent (the "Securities Lending Agent") for the Fund.

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

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

**NOTE 5 – SECURITIES LENDING**

The Fund may lend up to 33 1/3% of the value of the securities in its portfolio to brokers, dealers and financial institutions (but not individuals) under terms of participation in a securities lending program administered by the Securities Lending Agent. The securities lending agreement requires that loans are collateralized at all times in an amount equal to at least the market value of the securities loaned by the Fund. The Fund receives compensation in the form of fees and earned interest on the cash collateral. Due to timing issues of when a security is recalled from loan, the financial statements may differ in presentation. The amount of fees depends on a number of factors including the type of security and length of the loan. The Fund continues to receive interest payments or dividends on the securities loaned during the borrowing period. Gain or loss in the value of securities loaned that may occur during the term of the loan will be for the account of the Fund. The Fund has the right under the terms of the securities lending agreements to recall the securities from the borrower on demand.

As of September 30, 2024, the market value of the securities on loan and payable on collateral received for securities lending were as follows:

Market Value of Securities on Loan	Payable on Collateral Received	Percentage of Net Assets of Securities on Loan
\$5,442,458	\$5,667,333	11.0%

The cash collateral is invested in the Mount Vernon Liquid Assets Portfolio, LLC, of which the investment objective is to seek to maximize income to the extent consistent with the preservation of capital and liquidity and maintain a stable NAV of \$1.00. Although risk is mitigated by the collateral, the Fund could experience a delay in recovering its securities and possible loss of income or value if the borrower fails to return the borrowed securities. In addition, the Fund bears the risk of loss associated with the investment of cash collateral received.

During the six-months ended September 30, 2024, the Fund loaned securities that were collateralized by cash. The cash collateral received was invested in the Mount Vernon Liquid Assets Portfolio, LLC as listed in the Fund’s Schedule of Investments. Securities lending income is disclosed in the Fund’s Statement of Operations.

The Fund is not subject to a master netting agreement with respect to the Fund’s participation in securities lending; therefore, no additional disclosures regarding netting arrangements are required.

**NOTE 6 – PURCHASES AND SALES OF SECURITIES**

For the six-months ended September 30, 2024, 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 \$5,915,931 and \$5,386,362, respectively.

For the six-months ended September 30, 2024, there were no purchases or sales of long-term U.S. government securities.

For the six-months ended September 30, 2024, in-kind transactions associated with creations and redemptions for the Fund were \$4,402,522 and \$6,870,231, respectively.

**NOTE 7 – INCOME TAXES AND DISTRIBUTIONS TO SHAREHOLDERS**

The tax character of distributions paid during the six-months ended September 30, 2024 (estimated), and the most recent fiscal year ended March 31, 2024, were as follows:

Distributions paid from:	September 30, 2024	March 31, 2024
Ordinary income	\$1,663,038	\$3,426,964

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As of the most recent fiscal year ended March 31, 2024, the components of distributable (accumulated) earnings (losses) on a tax basis was as follows:

Investments, at cost <sup>(1)</sup>	\$ 54,389,043
Gross tax unrealized appreciation	4,762,159
Gross tax unrealized depreciation	(8,636,457)
Net tax unrealized appreciation (depreciation)	(3,874,298)
Undistributed ordinary income (loss)	892,174
Undistributed long-term capital gain (loss)	—
Total distributable earnings	892,174
Other accumulated gain (loss)	(1,832,163)
Total distributable (accumulated) earnings (losses)	\$(4,814,287)

(1) The difference between book and tax-basis cost of investments was attributable primarily to the treatment of wash sales and PFIC mark-to-market.

Net capital losses incurred after October 31 (post-October losses) and net investment losses incurred after December 31 (late year losses), and within the taxable year, may be elected to be deferred to the first business day of the Fund's next taxable year. As of the most recent fiscal year ended March 31, 2024 the Fund had no late year losses and had short-term and long-term capital loss carryovers of \$1,287,765 and \$544,398, respectively, which do not expire.

#### NOTE 8 – CREDIT FACILITY

U.S. Bank N.A. has made available to the Fund a credit facility pursuant to a Loan Agreement for temporary or extraordinary purposes. Credit facility details for the six-months ended September 30, 2024, are as follows:

Maximum available credit	\$50,000,000
Largest amount outstanding on an individual day	\$128,000
Average daily loan outstanding, when in use	\$41,000
Credit facility outstanding as of September 30, 2024	—
Average interest rate, when in use	8.50%
Interest rate terms	Prime
Interest rate as of September 30, 2024	8.00%
Expiration date	June 25, 2025

Interest expense incurred for the six-months ended September 30, 2024 is disclosed in the Statement of Operations, if applicable. The credit facility is an uncommitted, senior secured 364-day umbrella line of credit used for the benefit of certain funds in the Trust.

The maximum available credit is disclosed at the Trust level. The Fund's ability to borrow is therefore limited by borrowings of other funds within the Trust which are party to the agreement and to one-third of a Fund's total assets.

#### NOTE 9 – 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 ("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.



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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 and Redemption Units for the Fund 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 Statements of Changes in Net Assets. The Fund may issue an unlimited number of shares of beneficial interest, with no par value. All shares of the Fund have equal rights and privileges.

**NOTE 10 – 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 rates, the possibility of a national or global recession, trade tensions, political events, the war between Russia and Ukraine, and significant conflict between Israel and Hamas in the Middle East. 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. The Middle East conflict has led to significant loss of life, damaged infrastructure and escalated tensions both in the region and globally. 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. As a result, the risk environment remains elevated.

**NOTE 11 – SUBSEQUENT EVENTS**

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

[REDACTED]

**Item 8. Changes in and Disagreements with Accountants for Open-End Investment Companies.**

There have been no changes in or disagreements with the Fund's accountant.

**Item 9. Proxy Disclosure for Open-End Investment Companies.**

There were no matters submitted to a vote of shareholders during the period covered by the report.

**Item 10. Remuneration Paid to Directors, Officers, and Others of Open-End Investment Companies.**

See Item 7(a). Under the Investment Advisory Agreement, in exchange for a single unitary management fee from the Fund, the Adviser has agreed to pay all expenses incurred by the Fund, including Trustee compensation, except for certain excluded expenses.

**Item 11. Statement Regarding Basis for Approval of Investment Advisory and Sub-Advisory Contracts.**

**SonicShares™ Global Shipping ETF Semi-Annual Report – Investment Advisory Agreement Renewal Rider**

The Board of Trustees (the "Board" or the "Trustees") of Tidal ETF Trust (the "Trust") met at a meeting held on April 3, 2024 to consider the renewal of the Investment Advisory Agreement (the "Advisory Agreement") between the Trust, on behalf of the SonicShares™ Global Shipping ETF (the "Fund"), a series of the Trust, and Tidal Investments LLC (f/k/a Toroso Investments, LLC), the Fund's investment adviser (the "Adviser"). Prior to this meeting, the Board requested and received materials to assist them in considering the renewal of the Advisory Agreement. The materials provided contained information with respect to the factors enumerated below, including a copy of the Advisory Agreement, a memorandum prepared by outside legal counsel to the Trust and Independent Trustees discussing in detail the Trustees' fiduciary obligations and the factors they should assess in considering the renewal of the Advisory Agreement, due diligence materials relating to the Adviser (including the due diligence response completed by the Adviser with respect to a specific request letter from outside legal counsel to the Trust and Independent Trustees, the Adviser's Form ADV, select ownership, organizational, financial and insurance information for the Adviser, biographical information of the Adviser's key management and compliance personnel, detailed comparative information regarding the unitary advisory fee for the Fund, and information regarding the Adviser's compliance program) and other pertinent information. Based on their evaluation of the information provided, the Trustees, by a unanimous vote (including a separate vote of the Trustees who are not "interested persons," as that term is defined in the Investment Company Act of 1940, as amended (the "Independent Trustees")), approved the renewal of the Advisory Agreement for an additional one-year term.

**Discussion of Factors Considered**

In considering the renewal of the Advisory Agreement and reaching their conclusions, the Trustees reviewed and analyzed various factors that they determined were relevant, including the factors enumerated below.

1. **Nature, Extent and Quality of Services Provided.** The Board considered the nature, extent and quality of the Adviser's overall services provided to the Fund as well as its specific responsibilities in all aspects of day-to-day investment management of the Fund, including trade execution. The Board considered the qualifications, experience and responsibilities of the Adviser's investment management team, including Michael Venuto and Charles Ragauss, who each serve as a portfolio manager to the Fund, as well as the responsibilities of other key personnel of the Adviser involved in the day-to-day activities of the Fund. The Board reviewed due diligence information provided by the Adviser, including information regarding the Adviser's compliance program, its compliance personnel and compliance record, as well as the Adviser's cybersecurity program and business continuity plan. The Board noted that the Adviser does not manage any other accounts that utilize a strategy similar to that employed by the Fund.

The Board also considered other services provided to the Fund, such as monitoring adherence to the Fund's investment strategy and restrictions, oversight of other service providers to the Fund, monitoring compliance with various Fund policies and procedures and with applicable securities regulations, and monitoring the extent to which the Fund achieves its investment objective as a passively-managed ETF. The Board noted that the Fund is designed to track the performance of an index and the Adviser is responsible for trade execution.

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The Board concluded that the Adviser had sufficient quality and depth of personnel, resources, investment methods and compliance policies and procedures essential to performing its duties under the Advisory Agreement and managing the Fund and that the nature, overall quality and extent of the management services provided to the Fund, as well as the Adviser's compliance program, were satisfactory.

2. **Investment Performance of the Fund and the Adviser.** The Board considered the investment performance of the Fund and the Adviser. The Board noted that the Fund was designed to track the performance of an index and considered the extent to which the Fund tracked its index, before fees and expenses, in addition to the performance of the Fund against its benchmark index and select peer groups.

The Board considered the performance of the Fund on an absolute basis, in comparison to its underlying index (the Solactive Global Shipping Index) and in comparison to its benchmark index (the S&P 500 Total Return Index). The Board also considered comparative information prepared by the Adviser, in partnership with AltaVista Research, LLC, a third-party ETF research firm, comparing the Fund to a peer group of ETFs within the Fund's designated Morningstar category (a peer group of U.S. industrials funds) (the "BOAT Peer Group"), as well as a peer group of ETFs representing a subset of the BOAT Peer Group based on select criteria (the "BOAT Select Peer Group"). The Board considered the Fund's performance in comparison to its underlying index and noted factors that contributed to tracking error. The Board noted that the Fund underperformed the S&P 500 Total Return Index over the one-year period ended December 31, 2023, but outperformed the Index over the since inception period ended December 31, 2023. The Board also considered that the Fund underperformed the Boat Peer Group median and average over the one-year period ended February 29, 2024. The Board noted that Fund ranked 22 out of 33 funds in the BOAT Peer Group.

After considering all of the information, the Board concluded that the performance of the Fund was satisfactory under current market conditions and that the Adviser has the necessary expertise and resources in providing investment advisory services in accordance with the Fund's investment objective and strategies. Although past performance is not a guarantee or indication of future results, the Board determined that the Fund and its shareholders were likely to benefit from the Adviser's continued management.

3. **Cost of Services Provided and Profits Realized by the Adviser.** The Board considered the cost of services and the structure of the Adviser's advisory fee, including a review of comparative expenses, expense components and peer group selection. The Board took into consideration that the advisory fee for the Fund was a "unitary fee," meaning that the Fund pays no expenses other than the advisory fee and certain other costs such as interest, brokerage, and extraordinary expenses and, to the extent it is implemented, fees pursuant to the Fund's Rule 12b-1 Plan. The Board noted that the Adviser continues to be responsible for compensating the Fund's other service providers and paying the Fund's other expenses out of its own fees and resources, subject to the contractual agreement of the Fund's sponsors to assume a portion of such obligation in exchange for a corresponding portion of the profits, if any, generated by the Fund's unitary fee. The Board also considered the overall profitability of the Adviser and examined the level of profits accrued to the Adviser from the fees payable under the Advisory Agreement. The Board considered that the Fund's advisory fee of 0.69% was above the BOAT Peer Group and BOAT Select Peer Group averages of 0.47% and 0.57%, respectively. The Board also considered that the Fund's expense ratio of 0.69% was above the BOAT Peer Group and BOAT Select Peer Group averages of 0.50% and 0.57%, respectively.
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The Board concluded that the Fund's expense ratio and the advisory fee were fair and reasonable in light of the comparative performance, advisory fee and expense information and the investment management services provided to the Fund by the Adviser given the nature of the Fund's investment strategy. The Board also evaluated, based on a profitability analysis prepared by the Adviser, the fees received by the Adviser and its affiliates from their relationship with the Fund, and concluded that the fees had not been, and currently were not, excessive, and that while the Fund was not yet profitable to the Adviser, the Adviser had adequate financial resources to support its services to the Fund from the revenues of its overall investment advisory business.

4. **Extent of Economies of Scale as the Fund Grows.** The Board compared the Fund's expenses relative to its peer groups and discussed realized and potential economies of scale. The Board considered the potential economies of scale that the Fund might realize under the structure of the advisory fee. The Board noted that the advisory fee did not contain any breakpoint reductions as the Fund's assets grow in size, but that the Adviser would evaluate future circumstances that may warrant breakpoints in the fee structure.
5. **Benefits Derived from the Relationship with the Fund.** The Board considered the direct and indirect benefits that could be received by the Adviser and its affiliates from association with the Fund. The Board concluded that the benefits the Adviser may receive, such as greater name recognition or the ability to attract additional investor assets, appear to be reasonable and in many cases may benefit the Fund.

**Conclusion.** Based on the Board's deliberations and its evaluation of the information described above, with no single factor determinative of a conclusion, the Board, including the Independent Trustees, unanimously concluded that: (a) the terms of the Advisory Agreement are fair and reasonable; (b) the advisory fee is reasonable in light of the services that the Adviser provides to the Fund; and (c) the approval of the renewal of the Advisory Agreement for an additional one-year term was in the best interests of the Fund and its shareholders.

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