



Nicholas Fixed Income Alternative ETF
Ticker: FIAX

Semi-Annual Report
April 30, 2024

Nicholas Fixed Income Alternative ETF

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PORTFOLIO ALLOCATION at April 30, 2024 (Unaudited)

Security Type/Sector	% of Net Assets
U.S. Treasury Obligations	99.1%
Options Purchased	1.3
Cash Equivalents ^(a)	1.3
Options Written	(1.7)
	<u>100.0%</u>

^(a) Represents short-term investments and liabilities in excess of other assets.

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SCHEDULE OF INVESTMENTS as of April 30, 2024 (Unaudited)

	Par	Value
U.S. Treasury Obligations - 99.1%		
U.S. Treasury Note/Bond		
1.00%, 12/15/2024	\$ 25,548,000	\$ 24,875,375
0.50%, 03/31/2025	12,307,000	11,790,247
4.63%, 10/15/2026	12,647,000	12,548,689
2.63%, 02/15/2029	12,691,000	<u>11,545,588</u>
Total U.S. Treasury Obligations (Cost \$61,532,335)		<u>60,759,899</u>
	Notional Amount	Contracts^(b)
Options Purchased - 1.3%^(a)		
Call Options - 0.8%		
Financial Select Sector SPDR Fund, Expiration: 05/17/2024; Exercise Price: \$38.00	3,228,800	800 126,000
iShares 20+ Year Treasury Bond ETF, Expiration: 05/10/2024; Exercise Price: \$91.00	882,200	100 1,300
Russell 2000 Index, Expiration: 05/17/2024; Exercise Price: \$2,110.00	3,158,250	16 4,200
S&P 500 Index, Expiration: 09/30/2024; Exercise Price: \$5,200.00	12,589,225	25 <u>338,625</u>
Total Call Options		<u>470,125</u>
Put Options - 0.5%		
Alerian MLP ETF, Expiration: 05/17/2024; Exercise Price: \$43.00	1,758,375	375 2,812
iShares 20+ Year Treasury Bond ETF, Expiration: 05/10/2024; Exercise Price: \$88.50	882,200	100 11,400
Russell 2000 Index, Expiration: 05/17/2024; Exercise Price: \$2,000.00	3,158,250	16 78,800
S&P 500 Index, Expiration: 09/30/2024; Exercise Price: \$4,900.00	12,589,225	25 272,250
SPDR Gold Shares, Expiration: 05/17/2024; Exercise Price: \$200.00	2,118,700	100 <u>1,700</u>
Total Put Options		<u>366,962</u>
Total Options Purchased (Cost \$1,326,396)		<u>837,087</u>
		Shares
Short-Term Investments - 0.1%		
Money Market Funds - 0.1%		
First American Government Obligations Fund - Class X, 5.23% ^(c)	56,942	56,942
Total Short-Term Investments (Cost \$56,942)		56,942
Total Investments - 100.5% (Cost \$62,915,673)		\$ 61,653,928
Liabilities in Excess of Other Assets - (0.5)%		<u>(329,892)</u>
Total Net Assets - 100.0%		<u>\$ 61,324,036</u>

Percentages are stated as a percent of net assets.

^(a) Exchange-traded.

^(b) 100 shares per contract.

^(c) The rate shown represents the annualized 7-day yield as of April 30, 2024.

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SCHEDULE OF OPTIONS WRITTEN as of April 30, 2024 (Unaudited)

	Notional Amount	Contracts ^(b)	Value
Options Written - (1.7)%^(a)			
Call Options - (0.2)%			
Financial Select Sector SPDR Fund, Expiration: 05/17/2024; Exercise Price: \$42.00	\$ (3,228,800)	(800)	\$ (8,000)
iShares 20+ Year Treasury Bond ETF, Expiration: 05/03/2024; Exercise Price: \$89.50	(441,100)	(50)	(825)
Russell 2000 Index, Expiration: 05/17/2024; Exercise Price: \$2,210.00	(3,158,250)	(16)	(680)
S&P 500 Index, Expiration: 09/30/2024; Exercise Price: \$5,450.00	(12,589,225)	(25)	(116,750)
Total Call Options			<u>(126,255)</u>
Put Options - (1.5)%			
Alerian MLP ETF, Expiration: 05/17/2024; Exercise Price: \$48.00	(1,758,375)	(375)	(76,875)
iShares 20+ Year Treasury Bond ETF, Expiration: 05/03/2024; Exercise Price: \$88.00	(441,100)	(50)	(3,150)
Russell 2000 Index, Expiration: 05/17/2024; Exercise Price: \$2,105.00	(3,158,250)	(16)	(210,000)
S&P 500 Index, Expiration: 09/30/2024; Exercise Price: \$5,200.00	(12,589,225)	(25)	(544,375)
SPDR Gold Shares, Expiration: 05/17/2024; Exercise Price: \$225.00	(2,118,700)	(100)	(130,500)
Total Put Options			<u>(964,900)</u>
Total Options Written			
(Premiums received \$1,072,264)			<u>(1,091,155)</u>

Percentages are stated as a percent of net assets.

^(a) Exchange-traded.

^(b) 100 shares per contract.

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STATEMENT OF ASSETS AND LIABILITIES at April 30, 2024 (Unaudited)

Assets:	
Investments in securities, at value (Cost \$62,915,673) (Note 2)	\$ 61,653,928
Receivables:	
Deposit at broker	612,087
Interest	196,908
Total assets	<u>62,462,923</u>
Liabilities:	
Options written (Premiums received of \$1,072,264)	1,091,155
Payables:	
Management fees (Note 4)	47,732
Total liabilities	<u>1,138,887</u>
Net Assets	<u><u>\$ 61,324,036</u></u>
Components of Net Assets:	
Paid-in capital	\$ 63,817,382
Total distributable (accumulated) earnings (losses)	<u>(2,493,346)</u>
Net assets	<u><u>\$ 61,324,036</u></u>
Net Asset Value (unlimited shares authorized):	
Net assets	\$ 61,324,036
Shares of beneficial interest issued and outstanding	3,225,000
Net asset value	<u><u>\$ 19.02</u></u>

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STATEMENT OF OPERATIONS For the Period Ended April 30, 2024 (Unaudited)

Investment Income:

Interest income	\$	1,328,704
Broker interest income		15,431
Total investment income		1,344,135

Expenses:

Management fees (Note 4)		276,008
Total expenses		276,008
Net investment income (loss)		1,068,127

Realized and Unrealized Gain (Loss)

Net realized gain (loss) on:		
Investments		1,408,096
Options written		(1,479,791)
Change in net unrealized appreciation/depreciation on:		
Investments		(594,396)
Options written		477,591
Net realized and unrealized gain (loss)		(188,500)
Net increase (decrease) in net assets resulting from operations	\$	879,627

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STATEMENTS OF CHANGES IN NET ASSETS

	Period Ended April 30, 2024	Period Ended October 31, 2023 ⁽¹⁾
Increase (Decrease) in Net Assets From:		
Operations:		
Net investment income (loss)	\$ 1,068,127	\$ 1,094,706
Net realized gain (loss)	(71,695)	(131,494)
Change in net unrealized appreciation/depreciation	(116,805)	(1,163,831)
Net increase (decrease) in net assets resulting from operations	879,627	(200,619)
Distributions to Shareholders:		
From Distributable earnings	(2,077,648)	(1,095,732)
From Return of capital	—	(265,996)
Net distributions to shareholders	(2,077,648)	(1,361,728)
Capital Share Transactions:		
Net increase (decrease) in net assets derived from net change in outstanding shares ⁽²⁾	15,688,409	48,395,995
Total increase (decrease) in net assets	14,490,388	46,833,648
Net Assets:		
Beginning of period	46,833,648	—
End of period	\$ 61,324,036	\$ 46,833,648

⁽¹⁾ The Fund commenced operations on November 29, 2022. The information presented is from November 29, 2022 to October 31, 2023.

⁽²⁾ Summary of share transactions is as follows:

	Period Ended April 30, 2024		Period Ended October 31, 2023 ⁽¹⁾	
	Shares	Value	Shares	Value
Shares sold	1,050,000	\$ 20,569,948	2,875,000	\$ 57,316,133
Shares redeemed	(250,000)	(4,886,630)	(450,000)	(8,933,288)
Variable fees	—	5,091	—	13,150
Net increase (decrease)	800,000	\$ 15,688,409	2,425,000	\$ 48,395,995

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FINANCIAL HIGHLIGHTS For a capital share outstanding throughout each period

	Period Ended April 30, 2024 (Unaudited)	Period Ended October 31, 2023 ⁽¹⁾
Net asset value, beginning of period	\$ 19.31	\$ 20.00
Income (Loss) from Investment Operations:		
Net investment income (loss) ⁽²⁾	0.36	0.66
Net realized and unrealized gain (loss) ⁽³⁾	0.04	(0.64)
Total from investment operations	<u>0.40</u>	<u>0.02</u>
Less Distributions:		
From net investment income	(0.69)	(0.58)
From return of capital	—	(0.14)
Total distributions	<u>(0.69)</u>	<u>(0.72)</u>
Capital Share Transactions		
Variable fees	0.00 ⁽⁴⁾	0.01
Net asset value, end of period	<u>\$ 19.02</u>	<u>\$ 19.31</u>
Total return ⁽⁵⁾⁽⁶⁾	<u>1.98%</u>	<u>0.14%</u>
Ratios / Supplemental Data:		
Net assets, end of period (millions)	\$ 61.3	\$ 46.8
Portfolio turnover rate ⁽⁵⁾⁽⁷⁾	15%	360%
Ratio of expenses to average net assets ⁽⁸⁾	0.95%	1.04% ⁽⁹⁾
Ratio of net investment income (loss) to average net assets ⁽⁸⁾	3.68%	3.60%

⁽¹⁾ The Fund commenced operations on November 29, 2022. The information presented is from November 29, 2022 to October 31, 2023.

⁽²⁾ Calculated using average shares outstanding method.

⁽³⁾ Net realized and unrealized gain (loss) per share in the caption are balancing amounts necessary to reconcile the change in net asset value per share for the period, and may not reconcile with the aggregate gain (loss) in the Statement of Operations due to share transactions for the period.

⁽⁴⁾ Does not round to 0.01.

⁽⁵⁾ Not annualized.

⁽⁶⁾ Total return is calculated assuming a purchase of shares at net asset value on the first day and a sale at net asset value on the last day of the period. Distributions are assumed, for the purpose of this calculation, to be reinvested at the payable date net asset value per share on their respective payment dates.

⁽⁷⁾ Excludes the impact of in-kind transactions.

⁽⁸⁾ Annualized.

⁽⁹⁾ The ratio of expenses to average net assets includes tax expense and broker expense. The expense ratio excluding tax and broker expenses is 0.95% for the period ended October 31, 2023.

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NOTES TO FINANCIAL STATEMENTS April 30, 2024 (Unaudited)

NOTE 1 – ORGANIZATION

The Nicholas Fixed Income Alternative ETF (the “Fund”) is a non-diversified series of the Tidal Trust II (the “Trust”). The Trust was organized as a Delaware statutory trust on January 13, 2022. The Trust is registered with the Securities and Exchange Commission (“SEC”) under the Investment Company Act of 1940, as amended (the “1940 Act”), as an open-end management investment company and the offering of the Fund’s shares (“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 (f/k/a Toroso Investments, LLC) (“Tidal Investments or the “Adviser”), a Tidal Financial Group company, serves as investment adviser to the Fund and Nicholas Wealth Management and ZEGA Financial, LLC (together the “Sub-Advisers”), serve as investment sub-advisers 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 November 29, 2022.

The investment objective of the Fund is to seek current income.

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 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.

Under Rule 2a-5 of the 1940 Act, a fair value will be determined for securities for which quotations are not readily available 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 markets, and other characteristics particular to the security. To the extent that valuation is based on models or inputs that are less observable

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NOTES TO FINANCIAL STATEMENTS April 30, 2024 (Unaudited) (Continued)

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 April 30, 2024:

Assets:	Level 1	Level 2	Level 3	Total
U.S. Treasury Obligations	\$ —	\$ 60,759,899	\$ —	\$ 60,759,899
Purchased Options	—	837,087	—	837,087
Money Market Funds	56,942	—	—	56,942
Total Assets	\$ 56,942	\$ 61,596,986	\$ —	\$ 61,653,928

Liabilities:	Level 1	Level 2	Level 3	Total
Options Written	\$ —	\$ (1,091,155)	\$ —	\$ (1,091,155)
Total Liabilities	\$ —	\$ (1,091,155)	\$ —	\$ (1,091,155)

B. Derivative Instruments. As the buyer of a call option, a Fund has a right to buy the underlying reference instrument (e.g., a currency or security) at the exercise price at any time during the option period (for American style options). The Fund may enter into closing sale transactions with respect to call options, exercise them, or permit them to expire. For example, a Fund may buy call options on underlying reference instruments that it intends to buy with the goal of limiting the risk of a substantial increase in their market price before the purchase is effected. Unless the price of the underlying reference instrument changes sufficiently, a call option purchased by a Fund may expire without any value to the Fund, in which case such Fund would experience a loss to the extent of the premium paid for the option plus related transaction costs.

As the buyer of a put option, a Fund has the right to sell the underlying reference instrument at the exercise price at any time during the option period (for American style options). Like a call option, the Fund may enter into closing sale transactions with respect to put options, exercise them or permit them to expire. A Fund may buy a put option on an underlying reference instrument owned by the Fund (a protective put) as a hedging technique in an attempt to protect against an anticipated decline in the market value of the underlying reference instrument. Such hedge protection is provided only during the life of the put option when the Fund, as the buyer of the put option, is able to sell the underlying reference instrument at the put exercise price, regardless of any decline in the underlying instrument's market price. The Fund may also seek to offset a decline in the value of the underlying reference instrument through appreciation in the value of the put option. Put options may also be purchased with the intent of protecting unrealized appreciation of an instrument when the Sub-Advisers deem it desirable to continue to hold the instrument because of tax or other considerations. The premium paid for the put option and any transaction costs would reduce any short-term capital gain that may be available for distribution when the instrument is eventually sold. Buying put options at a time when the buyer does not own the underlying reference instrument allows the buyer to benefit from a decline in the market price of the underlying reference instrument, which generally increases the value of the put option.

If a put option was not terminated in a closing sale transaction when it has remaining value, and if the market price of the underlying reference instrument remains equal to or greater than the exercise price during the life of the put option, the buyer would not make any gain upon exercise of the option and would experience a loss to the extent of the premium paid for the option plus related transaction costs. In order for the purchase of a put option to be profitable, the market price of the underlying reference instrument must decline sufficiently below the exercise price to cover the premium and transaction costs.

Writing options may permit the writer to generate additional income in the form of the premium received for writing the option. The writer of an option may have no control over when the underlying reference instruments must be sold (in the case of a call option) or purchased (in the case of a put option) because the writer may be notified of exercise at any time prior to the expiration of the option (for American style options). In general, though, options are infrequently exercised prior to expiration. Whether or not an option expires unexercised, the writer retains the amount of the premium. Writing "covered" call options means that the writer owns the underlying reference instrument that is subject to the call option. Call options may also be written on reference instruments that the writer does not own.

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If a Fund writes a covered call option, any underlying reference instruments that are held by the Fund and are subject to the call option will be earmarked on the books of such Fund as segregated to satisfy its obligations under the option. A Fund will be unable to sell the underlying reference instruments that are subject to the written call option until it either effects a closing transaction with respect to the written call, or otherwise satisfies the conditions for release of the underlying reference instruments from segregation. As the writer of a covered call option, a Fund gives up the potential for capital appreciation above the exercise price of the option should the underlying reference instrument rise in value. If the value of the underlying reference instrument rises above the exercise price of the call option, the reference instrument will likely be “called away,” requiring a Fund to sell the underlying instrument at the exercise price. In that case, the Fund will sell the underlying reference instrument to the opt.

By virtue of the Fund’s investments in option contracts equity ETFs and equity indices, the Fund is exposed to common stocks indirectly which subjects the Fund to equity market risk. Common stocks 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. Equity securities 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.

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. For the period ended April 30, 2024, the Fund’s monthly average quantity and notional value are described below:

	Average Contracts	Average Notional Amount
Options Purchased	\$ 770	\$ 67,428,906
Options Written	(589)	(65,127,751)

Statement of Assets & Liabilities

Fair value of derivative instruments as of April 30, 2024.

	Asset Derivatives as of April 30, 2024		Liability Derivatives as of April 30, 2024	
	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Derivative Instruments				
Equity Contracts:	Investments in securities, at value			
Options Purchased		\$ 837,087	None	\$ —
Options Written	None	—	Options written	1,091,155

Statement of Operations

The effect of derivative instruments on the Statement of Operations for the period ended April 30, 2024:

	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
Derivative Instruments			
Equity Contracts:			
Options Purchased	Realized and Unrealized Gain (Loss) on Investments	\$ 1,438,151	\$ 61,506
Options Written	Realized and Unrealized Gain (Loss) on Options Written	(1,479,791)	477,591

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NOTES TO FINANCIAL STATEMENTS April 30, 2024 (Unaudited) (Continued)

- 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 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 April 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.

- 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, 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.
- E. *Distributions to Shareholders.* Distributions to shareholders from net investment income, if any, for the Fund are declared and paid monthly. Distributions to shareholders from net realized gains on securities, if any, for the Fund normally are declared and paid on an annual basis. Distributions are recorded on the ex-dividend date.
- 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 amount of revenue and expenses during the reporting period. Actual results could differ from those estimates.
- G. *Share Valuation.* 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 investment 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.

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NOTES TO FINANCIAL STATEMENTS April 30, 2024 (Unaudited) (Continued)

- J. *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.
- K. *Other Regulatory Matters.* In October 2022, the SEC adopted a final rule relating to Tailored Shareholder Reports for Mutual Funds and Exchange-Traded Funds; Fee Information in Investment Company Advertisements. The rule and form amendments will, among other things, require the Fund to transmit concise and visually engaging shareholder reports that highlight key information. The amendments will require that the Fund tags information in a structured data format and that certain more in-depth information be made available online and available for delivery free of charge to investors on request. The amendments became effective January 24, 2023. There is an 18-month transition period after the effective date of the amendment.

NOTE 3 – PRINCIPAL INVESTMENT RISKS

Derivatives Risk. Derivatives are financial instruments that derive value from the underlying reference asset or assets, such as stocks, bonds, or funds (including ETFs), interest rates or indexes. The Fund’s investments in derivatives may pose risks in addition to, and greater than, those associated with directly investing in securities or other ordinary investments, including risk related to the market, imperfect correlation with underlying investments or the Fund’s other portfolio holdings, higher price volatility, lack of availability, counterparty risk, liquidity, valuation and legal restrictions. The use of derivatives is a highly specialized activity that involves investment techniques and risks different from those associated with ordinary portfolio securities transactions. The use of derivatives may result in larger losses or smaller gains than directly investing in securities. Because derivatives often require only a limited initial investment, the use of derivatives may expose the Fund to losses in excess of those amounts initially invested. In addition, the Fund’s investments in derivatives are subject to the following risks:

Option Contracts. The use of option contracts involves investment strategies and risks different from those associated with ordinary portfolio securities transactions. The prices of options are volatile and are influenced by, among other things, actual and anticipated changes in the value of the underlying instrument, changes in interest or currency exchange rates, including the anticipated volatility, which are affected by fiscal and monetary policies and by national and international political, changes in the actual or implied volatility or the reference asset, the time remaining until the expiration of the option contract and economic events. There may at times be an imperfect correlation between the movement in values option contracts and the reference asset, and there may at times not be a liquid secondary market for certain option contracts.

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

NOTE 4 – COMMITMENTS AND OTHER RELATED PARTY TRANSACTIONS

The Adviser serves as investment adviser to the Fund 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 the direction and control 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. 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 0.95%. 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 sub-advisory, 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, or require the Sub-Adviser 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

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NOTES TO FINANCIAL STATEMENTS April 30, 2024 (Unaudited) (Continued)

and other investment instruments, acquired fund fees and expenses, accrued deferred tax liability, extraordinary expenses, 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”). The Management Fees incurred are paid monthly to the Adviser. Management fees for the period ended April 30, 2024 are disclosed in the Statement of Operations.

The Sub-Advisers serve as sub-adviser to the Fund, pursuant to the individual sub-advisory agreements between the Adviser and the Sub-Advisers with respect to the Fund (the “Sub-Advisory Agreement”). Pursuant to the Sub-Advisory Agreement, the Sub-Advisers are 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. ZEGA Financial, LLC is also responsible for trading portfolio securities for the Fund, including selecting broker-dealers to execute purchase and sale transactions. For its services, each Sub-Adviser is paid a fee by the Adviser, which fee is calculated daily and paid monthly. The Sub-Advisers have agreed to assume the Adviser’s obligation to pay all expenses incurred by the Fund, except for Excluded Expenses. For assuming the payment obligation, the Adviser has agreed to pay to the Sub-Adviser the profits, if any, generated by the Fund’s Management Fee. Expenses incurred by the Fund and paid by the Sub-Adviser include fees charged by Tidal, as defined below.

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.

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 period ended April 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 \$462,550 and \$448,696, respectively.

For the period ended April 30, 2024, the purchases or sales of long-term U.S. government securities were \$40,397,873 and \$4,434,679, respectively.

For the period ended April 30, 2024, there were no in-kind transactions associated with creations and redemptions for the Fund.

NOTE 6 – INCOME TAXES AND DISTRIBUTIONS TO SHAREHOLDERS

The Fund is subject to examination by U.S. taxing authorities for the tax periods since the commencement of operations. The amount and character of tax basis distributions and composition of net assets, including undistributed (accumulated) net investment income (loss), are finalized at the fiscal year-end; accordingly, tax basis balances have not been determined for the period ended April 30, 2024. Differences between the tax cost of investments and the cost noted in the Schedule of Investments will be determined at fiscal year-end.

The tax character of distributions paid during the six-months ended April 30, 2024 (estimated) and October 31, 2023, were as follows:

Distribution paid from:	April 30, 2024	April 30, 2024
Ordinary income	\$ 2,077,648	\$ 1,095,732
Return of capital	—	265,996

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NOTES TO FINANCIAL STATEMENTS April 30, 2024 (Unaudited) (Continued)

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

Cost of investments ⁽¹⁾	\$ 45,463,370
Gross tax unrealized appreciation	\$ 1,312,714
Gross tax unrealized depreciation	(1,516,038)
Net tax unrealized appreciation (depreciation)	(203,324)
Undistributed ordinary income (loss)	—
Undistributed long-term capital gain (loss)	—
Total distributable earnings	—
Other accumulated gain (loss)	(1,092,001)
Total distributable (accumulated) earnings (losses)	\$ (1,295,325)

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

Net investment losses incurred after December 31 (late year losses), 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 period ended October 31, 2023, the Fund had not elected to defer any late year losses and had short-term and long-term capital loss carryovers of \$599,400 and \$473,909, respectively, both of which do not expire.

NOTE 7 – SHARE TRANSACTIONS

Shares of the Fund are listed and traded on the NYSE Arca, Inc. 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 \$300, payable to the Custodian. The fixed transaction fee may be waived on certain orders if the Fund's Custodian has determined to waive some or all of the costs associated with the order or another party, such as the Adviser, has agreed to pay such fee. In addition, a variable fee may be charged on all cash transactions or substitutes for Creation Units of up to a maximum of 2% and for Redemption Units of up to a maximum of 2%, respectively, of the value of the Creation Units and Redemption Units subject to the transaction. Variable fees received by the Fund, if any, are disclosed in the capital shares transactions section of the Statements of Changes in Net Assets. The Fund may issue an unlimited number of shares of beneficial interest, with no par value. All shares of the Fund have equal rights and privileges.

NOTE 8 – RECENT MARKET EVENTS

U.S. and international markets have experienced and may continue to experience significant periods of volatility in recent years and months due to a number of economic, political and global macro factors including rising inflation, uncertainty regarding central banks' interest rate increases, the possibility of a national or global recession, trade tensions, political events, the war between Russia and Ukraine, significant conflict between Israel and Hamas in the Middle East, and the impact of COVID-19. 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. 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

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NOTES TO FINANCIAL STATEMENTS April 30, 2024 (Unaudited) (Continued)

efforts to address market disruptions. As a result, the risk environment remains elevated. The Adviser and Sub-Adviser will monitor developments and seek to manage the Fund in a manner consistent with achieving the Fund's investment objective, but there can be no assurance that they will be successful in doing so.

NOTE 9 – SUBSEQUENT EVENTS

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

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EXPENSE EXAMPLE For the Six-Months Ended April 30, 2024 (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 an entire period indicated, which is from November 1, 2023 to April 30, 2024.

Actual Expenses

The first line of the following table provides information about actual account values based on actual returns 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 example that appears 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 November 1, 2023	Ending Account Value April 30, 2024	Expenses Paid During the Period November 1, 2023 – April 30, 2024⁽¹⁾
Actual	\$1,000.00	\$1,019.80	\$4.77
Hypothetical (5% annual return before expenses)	\$1,000.00	\$1,020.14	\$4.77

⁽¹⁾ Expenses are equal to the Fund’s annualized net expense ratio for the most recent six-month period of 0.95%, multiplied by the average account value over the period, multiplied by 182/366 (to reflect the most-recent six-month period).

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ADDITIONAL INFORMATION

INFORMATION ABOUT PROXY VOTING (Unaudited)

A description of the policies and procedures that the Fund uses to determine how to vote proxies relating to portfolio securities is available upon request without charge, by calling (855) 563-6900 or by accessing the Fund's website at www.nicholasx.com/fiax. Furthermore, you can obtain the description on the SEC's website at www.sec.gov.

Information regarding how the Fund voted proxies relating to portfolio securities during the most recent 12-months ending June 30 is available upon request without charge by calling (855) 563-6900 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.nicholasx.com/fiax. 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 (855) 563-6900. 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.nicholasx.com/fiax.

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 (855) 563-6900. Furthermore, you can obtain the SAI on the SEC's website at www.sec.gov or the Fund's website at www.nicholasx.com/fiax.

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Investment Sub-Adviser

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Fund Information

Fund	Ticker	CUSIP
Nicholas Fixed Income Alternative ETF	FIAX	88634T535