



ZEGA ETFs

of

Tidal ETF Trust

ZEGA Buy and Hedge ETF

Ticker: ZHDG

Semi-Annual Report

October 31, 2022

ZEGA Buy and Hedge ETF

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ZEGA Buy and Hedge ETF

PORTFOLIO ALLOCATION at October 31, 2022 (Unaudited)

Security Type/Sector	% of Portfolio
United States Treasury Obligations	72.2%
Options Purchased	13.7
Cash & Cash Equivalents ⁽¹⁾	5.2
Financial	2.7
Communications	1.8
Consumer, Non-cyclical	1.7
Consumer, Cyclical	1.5
Utilities	0.7
Energy	0.3
Basic Materials	0.3
Technology	0.2
Industrial	0.1
Options Written	(0.4)
Total	100.0%

⁽¹⁾ Represents cash, short-term investments, and liabilities in excess of other assets.

ZEGA Buy and Hedge ETF

SCHEDULE OF INVESTMENTS at October 31, 2022 (Unaudited)

Principal Amount		Value
CORPORATE BONDS – 9.1%		
Apparel – 0.5%		
	Hanesbrands, Inc.	
\$ 436,000	4.625%, 05/15/2024	\$ 425,078
Auto Manufacturers—0.7%		
	Jaguar Land Rover Automotive PLC	
189,000	5.625%, 02/01/2023	185,497
	Ford Motor Credit Co., LLC	
188,000	5.584%, 03/18/2024	185,954
188,000	3.664%, 09/08/2024	178,877
		<u>550,328</u>
Banks – 0.7%		
	Intesa Sanpaolo SpA	
649,000	5.017%, 06/26/2024	<u>612,863</u>
Commercial Services – 0.8%		
	North Queensland Export Terminal Property Ltd.	
476,000	4.450%, 12/15/2022	468,128
	IHS Markit Ltd.	
253,000	3.625%, 05/01/2024	246,008
		<u>714,136</u>
Computers – 0.2%		
	Seagate HDD Cayman	
189,000	4.875%, 03/01/2024	<u>184,522</u>
Diversified Financial Services – 1.5%		
	Navient Corp.	
200,000	5.500%, 01/25/2023	199,928
433,000	6.125%, 03/25/2024	425,814
	OneMain Finance Corp.	
338,000	5.625%, 03/15/2023	338,411
184,000	6.125%, 03/15/2024	180,040
	Radian Group, Inc.	
188,000	4.500%, 10/01/2024	177,943
		<u>1,322,136</u>
Electric – 0.2%		
	InterGen NV	
189,000	7.000%, 06/30/2023	<u>185,228</u>

Principal Amount		Value
CORPORATE BONDS – 9.1% (Continued)		
Environmental Control – 0.1%		
	Stericycle, Inc.	
\$ 89,000	5.375%, 07/15/2024	\$ 87,862
Gas – 0.4%		
	AmeriGas Partners LP / AmeriGas Finance Corp.	
376,000	5.625%, 05/20/2024	<u>368,254</u>
Healthcare – Services – 0.2%		
	Tenet Healthcare Corp.	
125,000	4.625%, 07/15/2024	<u>121,361</u>
Investment Companies – 0.2%		
	Icahn Enterprises LP / Icahn Enterprises Finance Corp.	
184,000	4.750%, 09/15/2024	<u>179,310</u>
Lodging – 0.2%		
	Travel + Leisure Co.	
189,000	3.900%, 03/01/2023	<u>187,332</u>
Media – 1.3%		
	DISH DBS Corp.	
400,000	5.000%, 03/15/2023	395,586
576,000	5.875%, 11/15/2024	532,799
	CSC Holdings, LLC	
191,000	5.250%, 06/01/2024	185,472
		<u>1,113,857</u>
Mining – 0.3%		
	FMG Resources August 2006 Pty Ltd.	
245,000	5.125%, 05/15/2024	<u>239,495</u>
Pharmaceuticals – 0.7%		
	Perrigo Finance Unlimited Co.	
610,000	3.900%, 12/15/2024	<u>584,554</u>
Pipelines – 0.3%		
	Buckeye Partners L.P.	
284,000	4.150%, 07/01/2023	<u>281,042</u>

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

ZEGA Buy and Hedge ETF

SCHEDULE OF INVESTMENTS at October 31, 2022 (Unaudited) (Continued)

Principal Amount	Value	Contracts	Notional Amount	Value
CORPORATE BONDS – 9.1% (Continued)				
Real Estate Investment Trusts (REITs) – 0.2%				
\$ 189,000	Service Properties Trust 4.500%, 06/15/2023			\$ 186,672
Retail – 0.1%				
89,000	QVC, Inc. 4.850%, 04/01/2024			86,012
Telecommunications – 0.5%				
429,000	Telecom Italia SpA/Milano 5.303%, 05/30/2024			404,333
TOTAL CORPORATE BONDS				
(Cost \$8,162,279)				7,834,375
UNITED STATES TREASURY OBLIGATIONS – 72.0%				
31,500,000	United States Treasury Notes 2.750%, 05/31/2023			31,185,884
31,500,000	3.000%, 06/30/2024			30,676,816
				61,862,700
TOTAL UNITED STATES TREASURY OBLIGATIONS				
(Cost \$62,142,433)				61,862,700
Options Purchased – 13.7%				
Call Options – 12.3%				
130	SPDR S&P 500 ETF Trust Expiration: 01/20/2023, Strike Price: \$435 ⁽³⁾	\$ 5,020,730		31,884
2,800	Expiration: 01/20/2023, Strike Price: \$490 ⁽³⁾	108,138,800		42,653
237	Expiration: 03/17/2023, Strike Price: \$455 ⁽³⁾	9,153,177		61,662
270	Expiration: 06/16/2023, Strike Price: \$365 ⁽³⁾	10,427,670		1,277,729
27	Expiration: 06/16/2023, Strike Price: \$400	1,042,767		71,739
940	Expiration: 06/16/2023, Strike Price: \$415 ⁽³⁾	36,303,740		1,807,946
50	Expiration: 06/16/2023, Strike Price: \$444 ⁽³⁾	1,931,050		45,805
500	Expiration: 09/15/2023, Strike Price: \$365 ⁽³⁾	19,310,500		2,676,901
Options Purchased – 13.7% (Continued)				
Call Options – 12.3% (Continued)				
27	Expiration: 09/15/2023, Strike Price: \$415		1,042,767	\$ 69,687
410	Expiration: 12/15/2023, Strike Price: \$365 ⁽³⁾		15,834,610	2,436,483
325	Expiration: 01/19/2024, Strike Price: \$365 ⁽³⁾		12,551,825	1,973,851
30	Expiration: 01/19/2024, Strike Price: \$425		1,158,630	87,900
				10,584,240
Put Options – 1.4%				
iShares iBoxx \$ Investment Grade Corporate Bond ETF				
900	Expiration: 01/20/2023, Strike Price: \$109 ⁽¹⁾		9,121,500	762,750
iShares iBoxx High Yield Corporate Bond ETF				
1,000	Expiration: 01/20/2023, Strike Price: \$76 ⁽¹⁾		7,343,000	400,000
				1,162,750
TOTAL OPTIONS PURCHASED				
(Cost \$15,838,256)				11,746,990
Shares				
SHORT-TERM INVESTMENTS – 7.0%				
Money Market Funds – 7.0%				
2,834,547	Dreyfus Cash Management, 1.960% ⁽²⁾			2,834,547
3,178,323	First American Government Obligations Fund, Class X, 2.924% ⁽²⁾			3,178,323
TOTAL SHORT-TERM INVESTMENTS				
(Cost \$6,012,870)				6,012,870
Total Investments in Securities – 101.8%				
(Cost \$92,155,838)				87,456,935
Liabilities in Excess of Other Assets – (1.8)%				
				(1,530,143)
Total Net Assets – 100.0%				
				\$85,926,792

Percentages are stated as a percent of net assets.

⁽¹⁾ Held in connection with a written option contract. See the Schedule of Options Written for further information.

⁽²⁾ The rate shown is the annualized seven-day effective yield as of October 31, 2022.

⁽³⁾ FLEXible EXchange® Options.

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

ZEGA Buy and Hedge ETF

SCHEDULE OF OPTIONS WRITTEN at October 31, 2022 (Unaudited)

	Contracts ⁽¹⁾	Notional Amount	Value
OPTIONS WRITTEN – 0.4%			
Put Options Written – 0.4%			
iShares iBoxx High Yield Corporate Bond ETF Expiration: 01/20/2023, Strike Price: \$70	1,000	\$7,343,000	\$121,000
iShares iBoxx \$ Investment Grade Corporate Bond ETF Expiration: 01/20/2023, Strike Price: \$100	900	9,121,500	<u>218,700</u>
Total Options Written (Premiums Received \$311,859)			<u><u>\$339,700</u></u>

Percentages are stated as a percent of net assets.

⁽¹⁾ 100 shares per contract.

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ZEGA Buy and Hedge ETF

STATEMENT OF ASSETS AND LIABILITIES at October 31, 2022 (Unaudited)

Assets:	
Investments in securities, at value (Cost \$92,155,838) (Note 2)	\$ 87,456,935
Receivables:	
Interest	824,264
Investment securities sold	189,803
Total assets	<u>88,471,002</u>
Liabilities:	
Options written (Premiums received \$311,859) (Note 2)	339,700
Payables:	
Investment securities purchased	8,238
Fund shares redeemed	2,126,850
Management fees (Note 4)	69,422
Total liabilities	<u>2,544,210</u>
Net Assets	<u>\$ 85,926,792</u>
Components of Net Assets:	
Paid-in capital	\$ 104,931,690
Total distributable (accumulated) earnings (losses)	<u>(19,004,898)</u>
Net assets	<u>\$ 85,926,792</u>
Net Asset Value (unlimited shares authorized):	
Net assets	\$ 85,926,792
Shares of beneficial interest issued and outstanding	5,050,000
Net asset value	<u>\$ 17.02</u>

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ZEGA Buy and Hedge ETF

STATEMENT OF OPERATIONS For the Six-Months Ended October 31, 2022 (Unaudited)

Investment Income:

Interest income	\$ 2,173,924
Total investment income	<u>2,173,924</u>

Expenses:

Management fees (Note 4)	507,761
Interest expense (Note 7)	<u>3,193</u>
Net expenses	510,954
Net investment income (loss)	<u><u>1,662,970</u></u>

Realized and Unrealized Gain (Loss) on Investments, and Options Written:

Net realized gain (loss) on:	
Investments	(10,926,571)
Options written	<u>(2,283,941)</u>
Change in net unrealized appreciation/depreciation on:	
Investments	2,672,529
Options written	<u>1,183,605</u>
Net realized and unrealized gain (loss) on investments, and options written	<u>(9,354,378)</u>
Net increase (decrease) in net assets resulting from operations	<u><u>\$ (7,691,408)</u></u>

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ZEGA Buy and Hedge ETF

STATEMENTS OF CHANGES IN NET ASSETS

	Six-Months Ended October 31, 2022 (Unaudited)	Period Ended April 30, 2022 ⁽¹⁾
Increase (Decrease) in Net Assets From:		
Operations:		
Net investment income (loss)	\$ 1,662,970	\$ 1,513,605
Net realized gain (loss) on investments and options written	(13,210,512)	(2,871,277)
Change in net unrealized appreciation/depreciation on investments and written options	3,856,134	(8,582,878)
Net increase (decrease) in net assets resulting from operations	(7,691,408)	(9,940,550)
Distributions to Shareholders:		
Net distributions to shareholders	—	(1,393,000)
Capital Share Transactions:		
Net increase (decrease) in net assets derived from net change in outstanding shares ⁽²⁾	(23,366,973)	128,318,723
Total increase (decrease) in net assets	(31,058,381)	116,985,173
Net Assets:		
Beginning of period	116,985,173	—
End of period	\$ 85,926,792	\$ 116,985,173

⁽¹⁾ The Fund commenced operations on July 6, 2021. The information presented is from July 6, 2021 to April 30, 2022.

⁽²⁾ Summary of share transactions is as follows:

	Six-Months Ended October 31, 2022 (Unaudited)		Period Ended April 30, 2022 ⁽¹⁾	
	Shares	Value	Shares	Value
Shares sold	1,050,000	\$ 18,385,062	6,800,000	\$136,689,953
Shares redeemed	(2,375,000)	(41,752,035)	(425,000)	(8,371,230)
Net increase (decrease)	(1,325,000)	\$ (23,366,973)	6,375,000	\$128,318,723

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FINANCIAL HIGHLIGHTS For a capital share outstanding throughout each period

	Six-Months Ended October 31, 2022 (Unaudited)	Period Ended April 30, 2022 ⁽¹⁾
Net asset value, beginning of period	\$ 18.35	\$ 20.00
Income (Loss) from Investment Operations:		
Net investment income (loss) ⁽²⁾	0.27	0.34
Net realized and unrealized gain (loss) on investments	(1.60)	(1.71)
Total from investment operations	<u>(1.33)</u>	<u>(1.37)</u>
Less Distributions:		
From net investment income	—	(0.28)
Total distributions	<u>—</u>	<u>(0.28)</u>
Net asset value, end of period	<u>\$ 17.02</u>	<u>\$ 18.35</u>
Total return ⁽³⁾⁽⁴⁾	<u>(7.27)%</u>	<u>(7.01)%</u>
Ratios / Supplemental Data:		
Net assets, end of period (millions)	\$ 85.9	\$ 117.0
Portfolio turnover rate ⁽³⁾⁽⁶⁾	108%	107%
Ratio of expenses to average net assets ⁽⁵⁾	0.96% ⁽⁷⁾	0.95%
Ratio of net investment income (loss) to average net assets ⁽⁵⁾	3.11%	2.09%

⁽¹⁾ The Fund commenced operations on July 6, 2021. The information presented is from July 6, 2021 to April 30, 2022.

⁽²⁾ Calculated using average shares outstanding method.

⁽³⁾ Not annualized.

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

⁽⁵⁾ Annualized.

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

⁽⁷⁾ Includes interest from credit facility borrowing. Excluding interest from credit facility borrowing the ratio is 0.95% for the six-months ended October 31, 2022.

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

ZEGA Buy and Hedge ETF

NOTES TO FINANCIAL STATEMENTS October 31, 2022 (Unaudited)

NOTE 1 – ORGANIZATION

The ZEGA Buy and Hedge ETF (the “Fund”) is a non-diversified series of shares of beneficial interest of Tidal ETF Trust (the “Trust”). The Trust was organized as a Delaware statutory trust on June 4, 2018 and is registered with the Securities and Exchange Commission (the “SEC”) under the Investment Company Act of 1940, as amended (the “1940 Act”), as an open-end management investment company and the offering of the Fund’s shares is registered under the Securities Act of 1933, as amended. The 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 July 6, 2021.

The investment objective of the Fund is to seek long-term capital appreciation while mitigating overall market risk.

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 (“Independent Pricing Agents”) each day that the Fund is open for business.

Debt securities are valued by using an evaluated mean of the bid and asked prices provided by Independent Pricing Agents. The Independent Pricing Agents may employ methodologies that utilize actual market transactions (if the security is actively traded), broker dealer supplied valuations, or other methodologies designed to identify the market value for such securities. In arriving at valuations, such methodologies generally consider factors such as security prices, yields, maturities, call features, ratings and developments relating to specific securities.

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

FLexible EXchange® Options (“FLEX Options”) listed on an exchange will typically be valued at a model-based price provided by the exchange at the official close of that exchange’s trading day. However, when the Fund’s option has a same-day market trade price, this same-day market trade price will be used for FLEX Option values instead of the exchange’s model-based price. If the exchange on which the option is traded is unable to provide a model price, model-based FLEX Options prices will additionally be provided by a backup third-party pricing provider. In selecting the model prices, ZEGA Financial, LLC (the “Sub-Adviser”), may provide a review of the calculation of model prices provided by each vendor, and may note to such vendors of any data errors observed, or where an underlying component value of the model pricing package may be missing or incorrect, prior to publication by the vendor of the model pricing to the Fund Accounting Agent for purposes of that day’s NAV. If either pricing vendor is not available to provide a model price for that day, the value of a FLEX Option 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 referenced below). In instances where in the same trading day a particular FLEX Option is both represented in an all-cash basket (either a creation unit or redemption unit), as well as in an in-kind basket (either a creation unit or redemption unit), for valuation purposes that trading day the Fund will default to use the trade price for both instances, rather than using the model price otherwise available for the in-kind transaction.

Redeemable securities issued by open-end investment companies are valued at the investment company’s applicable net asset value, with the exception of exchange-traded open-end investment companies, which are priced as equity securities (listed above).

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NOTES TO FINANCIAL STATEMENTS October 31, 2022 (Unaudited) (Continued)

Effective September 8, 2022, for securities for which quotations are not readily available, under Rule 2a-5 of the 1940 Act, a fair value is determined by the Valuation Designee in accordance with the Pricing and Valuation Policy and Fair Value Procedures, as applicable, of the Fund’s investment adviser, Toroso Investments, LLC (the “Adviser”), subject to oversight by the Trust’s Board of Trustees (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 net asset value that would be calculated without regard to such considerations.

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

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities that the Fund has the ability to access.

Level 2 – Observable inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These inputs may include quoted prices for the identical instrument on an inactive market, prices for similar instruments, interest rates, prepayment speeds, credit risk, yield curves, default rates and similar data.

Level 3 – Unobservable inputs for the asset or liability, to the extent relevant observable inputs are not available; representing the Fund’s own assumptions about the assumptions a market participant would use in valuing the asset or liability and would be based on the best information available.

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

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

The following is a summary of the inputs used to value the Fund’s investments and options written as of October 31, 2022:

Investments in Securities	Level 1	Level 2	Level 3	Total
Corporate Bonds ⁽¹⁾	\$ —	\$ 7,834,375	\$ —	\$ 7,834,375
United States Treasury Obligations	—	61,862,700	—	61,862,700
Purchased Options	10,914,553	832,437	—	11,746,990
Short-Term Investments	6,012,870	—	—	6,012,870
Total Investments in Securities	<u>\$ 16,927,423</u>	<u>\$ 70,529,512</u>	<u>\$ —</u>	<u>\$ 87,456,935</u>

Options Written	Level 1	Level 2	Level 3	Total
Options Written	\$ 339,700	\$ —	\$ —	\$ 339,700
Total Options Written	<u>\$ 339,700</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 339,700</u>

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

- B. *Derivative Investments.* An option gives the purchaser of the option the right to purchase (for a call option) or sell (for a put option) the underlying asset (or deliver cash equal to the value of an underlying index) at a specified price (“strike price”). In the event the underlying asset declines in value, the value of a call option will generally decrease (and may end up worthless) and the value of a put option will generally increase. In the event the underlying asset appreciates in value, the value of a call option will generally increase, and the value of a put option will generally decrease (and may end up worthless). FLEX Options are issued and guaranteed for settlement by the Options Clearing Corporation (“OCC”). The Sub-Adviser may “ladder” the Fund’s S&P 500 option positions. “Laddering” is an investment technique that utilizes multiple option positions over multiple expiration dates, to avoid the risk of reinvesting a large portion of assets in an unfavorable financial environment, as well as creating more opportunities to roll hedges and secure gains during extended periods of market appreciation.

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NOTES TO FINANCIAL STATEMENTS October 31, 2022 (Unaudited) (Continued)

The Sub-Adviser will ladder the Fund’s applicable S&P 500 Index option positions by investing in options with multiple expiration dates over a 12-month period using at least two intervals or “rungs.” By regularly rebuilding each ladder rung as options expire the Sub-Adviser will seek to achieve additional equity exposure as markets experience reduced prices (essentially buying on dips) or realize gains as market prices increase and as hedged positions are reestablished at higher levels.

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 six-months ended October 31, 2022, the Fund’s monthly average quantity and notional value are described below:

	Average Contracts	Average Notional Amount
FLEX Options	5,463	\$212,546,686
Purchased Options	9,651	76,944,757
Options Written	9,676	72,653,022

Statement of Assets and Liabilities

Fair value of derivative instruments as of October 31, 2022:

Instrument	Asset Derivatives as of October 31, 2022		Liability Derivatives as of October 31, 2022	
	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Equity Contracts – Call and Put Options Purchased	Investments in Securities, at Value	\$11,746,990	—	\$—
Equity Contracts – Put Options Written	—	\$—	Options Written	\$339,700

Statement of Operations

The effect of derivative instruments on the Statement of Operations for the six-months ended October 31, 2022:

Instrument	Location of Gain (Loss) on Derivatives Recognized in Income	Realized Gain (Loss) on Derivatives Recognized in Income	Change in Unrealized Appreciation/ Depreciation on Derivatives Recognized in Income
Equity Contracts – Call and Put Options Purchased	Net Realized Gain (Loss) on Investments	\$(1,530,355)	\$(1,711,631)
Equity Contracts – Put Options Written	Net Realized Gain (Loss) on Options Written	\$(2,283,941)	\$1,183,605

- 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.

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NOTES TO FINANCIAL STATEMENTS October 31, 2022 (Unaudited) (Continued)

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

As of October 31, 2022, 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 Trust'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 at least annually. Distributions to shareholders from net realized gains on securities, if any, for the Fund normally are declared and paid on an annual basis. Distributions are recorded on the ex-dividend date.
- 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 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 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.
- J. *Derivatives Transactions.* Pursuant to Rule 18f-4 under the 1940 Act, the SEC imposes limits on the amount of derivatives a fund can enter into and treats derivatives as senior securities. Under Rule 18f-4, a fund's derivatives exposure is limited through a value-at-risk test. Funds whose use of derivatives is more than a limited specified exposure amount are required to establish and maintain a comprehensive derivatives risk management program, subject to oversight by a fund's board of trustees, and appoint a derivatives risk manager. The Trust implemented a Rule 18f-4 Derivative Risk Management Program effective August 19, 2022, that complies with Rule 18f-4.
- 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.

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NOTES TO FINANCIAL STATEMENTS October 31, 2022 (Unaudited) (Continued)

NOTE 3 – PRINCIPAL RISKS

- A. *Associated Risks of Investing in Derivatives.* The Fund invests in options, which are a form of derivative investment. Derivatives have risks, including the imperfect correlation between the value of such instruments and the underlying assets or index; the loss of principal, including the potential loss of amounts greater than the initial amount invested in the derivative instrument; and illiquidity of the derivative investments. The derivatives used by the Fund may give rise to a form of leverage. Leverage magnifies the potential for gain and the risk of loss. Certain of the Fund's transactions in derivatives could also affect the amount, timing, and character of distributions to shareholders. The Fund's transactions in derivatives may result in the Fund realizing more short term capital gain and ordinary income subject to tax at ordinary income tax rates than it would if it did not engage in such transactions, which may adversely impact the Fund's after-tax returns.
- *Options Risk.* Writing and buying options are speculative activities and entail investment exposures that are greater than their cost would suggest, meaning that a small investment in an option could have a substantial impact on the performance of the Fund. The Fund's use of call and put options can lead to losses because of adverse movements in the price or value of the underlying stock, index, or other asset, which may be magnified by certain features of the options. These risks are heightened when the Fund's portfolio managers use options to enhance the Fund's return or as a substitute for a position or security. When selling a call or put option, the Fund will receive a premium; however, this premium may not be enough to offset a loss incurred by the Fund if the price of the underlying asset is above or below, respectively, the strike price by an amount equal to or greater than the premium. The value of an option may be adversely affected if the market for the option becomes less liquid or smaller, and will be affected by changes in the value or yield of the option's underlying asset, an increase in interest rates, a change in the actual or perceived volatility of the stock market or the underlying asset and the remaining time to expiration. Additionally, the value of an option does not increase or decrease at the same rate as the underlying asset(s). The Fund's use of options, due to the cost of the options, may reduce the Fund's ability to achieve returns equal to the underlying asset. This means that if the underlying asset price changes, the Fund may not benefit to the same extent or at the same rate as the underlying asset price changed. In addition, if the price of the underlying asset of an option is above the strike price of a written call option or below the strike price for a written put option, the value of the option, and consequently of the Fund, may decline significantly more than if the Fund invested directly in the underlying asset instead of using options. The Fund could experience a loss if its options do not perform as anticipated, or are not correlated with the performance of their underlying index or reference asset or if the Fund is unable to purchase or liquidate a position because of an illiquid secondary market.
- B. *Credit Risk.* An issuer or guarantor of debt instruments or the counterparty to a derivatives contract, repurchase agreement or loan of portfolio securities may be unable or unwilling to make its timely interest and/or principal payments or to otherwise honor its obligations. Debt instruments are subject to varying degrees of credit risk, which may be reflected in their credit ratings. There is the chance that the Fund's portfolio holdings will have their credit ratings downgraded or will default (i.e., fail to make scheduled interest or principal payments), potentially reducing the Fund's income level or share price.
- C. *Cybersecurity Risk.* With the increased use of technologies such as the Internet 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.
- D. *Equity Markets Risk.* The equity securities underlying the Fund's option investments 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. 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 issuers.
- E. *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

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NOTES TO FINANCIAL STATEMENTS October 31, 2022 (Unaudited) (Continued)

marketplace. To the extent either of the following events occur, Shares may trade at a material discount to NAV and possibly face delisting: (i) APs exit the business or otherwise become unable to process creation and/or redemption orders and no other APs step forward to perform these services; or (ii) market makers and/or liquidity providers exit the business or significantly reduce their business activities and no other entities step forward to perform their functions.

- *Cash Redemption Risk.* The Fund's investment strategy may require it to redeem Shares for cash or to otherwise include cash as part of its redemption proceeds. For example, the Fund may not be able to redeem in-kind certain securities held by the Fund (e.g., derivative instruments and bonds that cannot be broken up beyond certain minimum sizes needed for transfer and settlement). In such a case, the Fund may be required to sell or unwind portfolio investments to obtain the cash needed to distribute redemption proceeds. This may cause the Fund to recognize a capital gain that it might not have recognized if it had made a redemption in-kind. As a result, the Fund may have less cash efficiency and pay out higher annual capital gain distributions to shareholders than if the in-kind redemption process was used.
 - *Costs of Buying or Selling Shares.* Due to the costs of buying or selling Shares, including brokerage commissions imposed by brokers and bid-ask spreads, frequent trading of Shares may significantly reduce investment results and an investment in Shares may not be advisable for investors who anticipate regularly making small investments.
 - *Shares May Trade at Prices Other Than NAV.* As with all ETFs, Shares may be bought and sold in the secondary 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.
 - *Trading.* Although Shares are listed on a national securities exchange, such as 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.
- F. *Fixed Income Securities Risk.* The Fund may invest in fixed income securities directly or through ETFs or other investment companies. Fixed income securities are subject to interest rate risk (discussed further herein), call risk, prepayment and extension risk, credit risk (discussed further herein), and liquidity risk. Interest rates may go up resulting in a decrease in the value of the fixed income securities held by the Fund. Credit risk is the risk that an issuer will not make timely payments of principal and interest. There is also the risk that an issuer may "call," or repay, its high yielding bonds before their maturity dates. Fixed income securities subject to prepayment can offer less potential for gains during a declining interest rate environment and similar or greater potential for loss in a rising interest rate environment. Limited trading opportunities for certain fixed income securities may make it more difficult to sell or buy a security at a favorable price or time.
- G. *High Yield Securities Risk.* Securities rated below investment grade are often referred to as high yield securities or "junk bonds." Investments in lower rated corporate debt securities typically entail greater price volatility and principal and income risk. High yield securities may be more susceptible to real or perceived adverse economic and competitive industry conditions than investment grade securities. The prices of high yield securities have been found to be more sensitive to adverse economic downturns or individual corporate developments. A projection of an economic downturn or of a period of rising interest rates, for example, could cause a decline in high yield security prices because the advent of a recession could lessen the ability of a highly leveraged company to make principal and interest payments on its debt securities. If an issuer of high yield securities defaults, in addition to risking payment of all or a portion of interest and principal, the Fund by investing in such securities may incur additional expenses to obtain recovery.
- H. *FLEX Options Risk.* The Fund may invest in FLEX Options issued and guaranteed for settlement by the OCC. The Fund bears the risk that the OCC will be unable or unwilling to perform its obligations under the FLEX Options contracts. Additionally, FLEX Options may be illiquid, and in such cases, the Fund may have difficulty closing out certain FLEX Options positions at desired times and prices.

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NOTES TO FINANCIAL STATEMENTS October 31, 2022 (Unaudited) (Continued)

- I. *Market Capitalization Risk.* These risks apply to the extent the Underlying ETFs in which the Fund invests hold securities of large-companies.
- *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.
- J. *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.
- K. *Interest Rate Risk.* Generally, the value of fixed income securities will change inversely with changes in interest rates. As interest rates rise, the market value of fixed income securities tends to decrease. Conversely, as interest rates fall, the market value of fixed income securities tends to increase. This risk will be greater for long-term securities than for short-term securities. Changes in government intervention may have adverse effects on investments, volatility, and illiquidity in debt markets. In addition, the interest rates payable on floating rate securities are not fixed and may fluctuate based upon changes in market rates. The interest rate on a floating rate security is a variable rate which is tied to another interest rate. Floating rate securities are subject to interest rate risk and credit risk.
- L. *Limited Operating History Risk.* The Fund has a limited operating history. As a result, prospective investors have a limited track record or history on which to base their investment decision.
- M. *Management Risk.* The Fund is actively-managed and may not meet its investment objective based on the Sub-Adviser's success or failure to implement investment strategies for the Fund. Although the Sub-Adviser has experience managing separate accounts employing the Fund's strategy, the Sub-Adviser may not be able to replicate the historical performance of the strategy.
- N. *Other Investment Companies Risk.* The Fund will incur higher and duplicative expenses when it invests in ETFs and other investment companies. By investing in another investment company, the Fund becomes a shareholder of that investment company and bears its proportionate share of the fees and expenses of the other investment company. There is also the risk that the Fund may suffer losses due to the investment practices of the underlying funds as the Fund will be subject to substantially the same risks as those associated with the direct ownership of securities held by such investment companies. ETFs may be less liquid than other investments, and thus their share values more volatile than the values of the investments they hold. Investments in ETFs are also subject to the "ETF Risks" described above.
- O. *Tax Risk.* The Fund's investments and investment strategies, including transactions in options contracts, may be subject to special and complex federal income tax provisions, the effect of which may be, among other things: (i) to disallow, suspend, defer or otherwise limit the allowance of certain losses or deductions; (ii) to accelerate income to the Fund; (iii) to convert long-term capital gain, which is currently subject to lower tax rates, into short-term capital gain or ordinary income, which are currently subject to higher tax rates; (iv) to convert an ordinary loss or a deduction into a capital loss (the deductibility of which is more limited); (v) to treat dividends that would otherwise constitute qualified dividend income as non-qualified dividend income; and (vi) to produce income that will not qualify as good income under the gross income requirements that must be met for the Fund to qualify as a regulated investment company (a "RIC") under Subchapter M of Chapter 1, Subtitle A of the Internal Revenue Code of 1986, as amended (the "Code"). Furthermore, to the extent that any option on a futures contract held by the Fund is a "section 1256 contract" under Section 1256 of the Code, the contract will be marked to market annually, and any gain or loss will be treated as 60% long-term and 40% short-term capital gain or loss, regardless of the holding period for such contract. Section 1256 contracts may include Fund transactions involving call options on a broad-based securities index and other financial contracts.
- P. *Non-Diversification Risk.* Because the Fund is "non-diversified," it may invest a greater percentage of its assets in the securities of a single issuer or a smaller number of issuers than if it was a diversified fund. As a result, a decline in the value of an investment in a single issuer or a smaller number of issuers could cause the Fund's overall value to decline to a greater degree than if the Fund held a more diversified portfolio.

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NOTES TO FINANCIAL STATEMENTS October 31, 2022 (Unaudited) (Continued)

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 oversight of the Board. The Adviser is also responsible for trading portfolio securities for the Fund, including selecting broker-dealers to execute purchase and sale transactions.

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 transfer agency, custody, fund administration, and all other related services necessary for the Fund to operate. Under the Advisory Agreement, the Adviser has agreed to pay all expenses incurred by the Fund except for interest charges on any borrowings, dividends and other expenses on securities sold short, taxes, brokerage commissions and other expenses incurred in placing orders for the purchase and sale of securities and other investment instruments, acquired fund fees and expenses, accrued deferred tax liability, extraordinary expenses, and distribution fees and expenses paid by the Fund under any distribution plan adopted pursuant to Rule 12b-1 under the 1940 Act (collectively, “Excluded Expenses”). The Management Fees incurred are paid monthly to the Adviser.

The Sub-Adviser serves as sub-adviser to the Fund, pursuant to a sub-advisory agreement between the Adviser and the Sub-Adviser with respect to the Fund (the “Sub-Advisory Agreement”). Pursuant to the Sub-Advisory Agreement, the Sub-Adviser is responsible for the day-to-day management of the Fund’s portfolio, including determining the securities purchased and sold by the Fund, subject to the supervision of the Adviser and the Board. The Sub-Adviser is paid a fee by the Adviser, which is calculated and paid monthly, at an annual rate of 0.02% of the Fund’s average daily net assets. The Sub-Adviser has agreed to assume the Adviser’s obligation to pay all expenses incurred by the Fund except for the sub-advisory fee payable to the Sub-Adviser and Excluded Expenses. For assuming the payment obligations for the Fund, the Adviser has agreed to pay the Sub-Adviser the profits, if any, generated by the Fund’s unitary fee. Expenses incurred by the Fund and paid by the Sub-Adviser include fees charged by Tidal (defined below) which is an affiliate of the Adviser.

Tidal ETF Services LLC (“Tidal”), an affiliate of the Adviser, serves as the Fund’s administrator and, in that capacity, performs various administrative and management services for the Fund. Tidal coordinates the payment of Fund-related expenses and manages the Trust’s relationships with its various service providers.

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

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

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

NOTE 5 – PURCHASES AND SALES OF SECURITIES

For the six-months ended October 31, 2022, 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 \$52,451,914 and \$124,925,499, respectively.

For the six-months ended October 31, 2022, purchases of long-term U.S. Government securities were \$30,835,859 and there were no sales of long-term U.S. Government securities.

For the six-months ended October 31, 2022, in-kind transactions associated with creations and redemptions for the Fund were \$3,358,340 and \$7,645,508, respectively.

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NOTES TO FINANCIAL STATEMENTS October 31, 2022 (Unaudited) (Continued)

NOTE 6 – INCOME TAXES AND DISTRIBUTIONS TO SHAREHOLDERS

The tax character of distributions paid during the six-months ended October 31, 2022 and period ended April 30, 2022, respectively, was as follows:

Distributions paid from:	October 31, 2022	April 30, 2022
Ordinary income	\$—	\$1,393,000

As of the most recent fiscal period ended April 30, 2022, the components of accumulated earnings/(losses) on a tax basis were as follows:

	April 30, 2022
Cost of investments ⁽¹⁾	\$ 125,024,727
Gross tax unrealized appreciation	\$ 1,795,066
Gross tax unrealized depreciation	(10,434,526)
Net tax unrealized appreciation (depreciation)	(8,639,460)
Undistributed ordinary income (loss)	120,605
Undistributed long-term capital gain (loss)	—
Total distributable earnings	120,605
Other accumulated gain (loss)	(2,794,635)
Total accumulated gain (loss)	\$ (11,313,490)

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

Net capital losses incurred after October 31 and net investment losses incurred after April 30, and within the taxable year, are deemed to arise on the first business day of the Fund's next taxable year. As of the most recent fiscal period ended April 30, 2022, the Fund had no later year losses. As of the most recent fiscal period ended April 30, 2022, the Fund had short-term capital loss carryovers of \$2,794,635, which do not expire.

NOTE 7 – 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 period ended October 31, 2022, are as follows:

Maximum available credit	\$ 50,000,000
Largest amount outstanding on an individual day	8,200,000
Average daily loan outstanding	6,966,667
Credit facility outstanding as of October 31, 2022	—
Average interest rate	5.50%
Interest rate terms	Prime
Interest rate as of October 31, 2022	6.25%
Expiration date	June 28, 2023

Interest expense incurred for the six-months ended October 31, 2022 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.

NOTE 8 – 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

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NOTES TO FINANCIAL STATEMENTS October 31, 2022 (Unaudited) (Continued)

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% of the value of the Creation Units subject to the transaction. Variable fees are imposed to compensate the Fund for transaction costs associated with the cash transactions. 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 9 – RECENT MARKET EVENTS

U.S. and international markets have experienced significant periods of volatility in recent years and months due to a number of economic, political and global macro factors including the impact of COVID-19 as a global pandemic and related public health crisis, growth concerns in the U.S. and overseas, uncertainties regarding interest rates, rising inflation, trade tensions, and the threat of tariffs imposed by the U.S. and other countries. The global recovery from COVID-19 is proceeding at slower than expected rates due to the emergence of variant strains and may last for an extended period of time. As a result of continuing political tensions and armed conflicts, including the war between Ukraine and Russia, the U.S. and the European Union imposed sanctions on certain Russian individuals and companies, including certain financial institutions, and have limited certain exports and imports to and from Russia. The war has contributed to recent market volatility and may continue to do so. These developments, as well as other events, could result in further market volatility and negatively affect financial asset prices, the liquidity of certain securities and the normal operations of securities exchanges and other markets, despite government efforts to address market disruptions. Continuing market volatility as a result of recent market conditions or other events may have adverse effects on your account.

NOTE 10 – 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. Effective November 1, 2022, Daniel Carlson resigned as Treasurer, Principal Financial Officer and Principal Accounting Officer of the Trust, was appointed Senior Vice President of the Trust, and continues to serve as AML Compliance Officer of the Trust. Also, effective November 1, 2022, Aaron Perkovich was appointed Treasurer, Principal Financial Officer and Principal Accounting Officer of the Trust.

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EXPENSE EXAMPLE For the Six-Months Ended October 31, 2022 (Unaudited)

As a shareholder of the Fund, you incur two types of costs: (1) transaction costs, including brokerage commissions paid on purchases and sales of the Fund's shares, and (2) ongoing costs, including management fees of the Fund. The example is intended to help you understand your ongoing costs (in dollars) of investing in the Fund and to compare these costs with the ongoing costs of investing in other funds. The example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period indicated, which is from May 1, 2022 to October 31, 2022.

Actual Expenses

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

Hypothetical Example for Comparison Purposes

The second line of the following table provides information about hypothetical account values and hypothetical expenses based on the Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund's actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in the Fund and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other funds. Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs, such as brokerage commissions paid on purchases and sales of the Fund's shares. Therefore, the second line of the 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 May 1, 2022	Ending Account Value October 31, 2022	Expenses Paid During the Period May 1, 2022 – October 31, 2022⁽¹⁾
Actual	\$1,000.00	\$ 927.30	\$4.66
Hypothetical (5% annual return before expenses)	1,000.00	1,020.37	4.89

⁽¹⁾ Expenses are equal to the Fund's annualized net expense ratio for the most recent six-month period of 0.96%, multiplied by the average account value over the period, multiplied by 184/365 (to reflect the most recent six-month period).

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STATEMENT REGARDING LIQUIDITY RISK MANAGEMENT PROGRAM

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

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

ZEGA Buy and Hedge ETF

ADDITIONAL INFORMATION

INFORMATION ABOUT PROXY VOTING (Unaudited)

A description of the policies and procedures that the Fund uses to determine how to vote proxies relating to portfolio securities is available upon request without charge, by calling (833) 415-4006 or by accessing the Fund's website at www.zegaetfs.com. Furthermore, you can obtain the description on the SEC's website at www.sec.gov.

Information regarding how the Fund voted proxies relating to portfolio securities during the most recent 12-months ending June 30 is available upon request without charge by calling (833) 415-4006 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.zegaetfs.com. The Fund files its complete schedule of portfolio holdings with the SEC for its first and third fiscal quarters on Part F of Form N-PORT. The Fund's Part F of Form N-PORT is available without charge, upon request, by calling (833) 415-4006. 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.zegaetfs.com.

INFORMATION ABOUT THE FUND'S TRUSTEES (Unaudited)

The Statement of Additional Information ("SAI") includes additional information about the Fund's Trustees and is available without charge, upon request, by calling (833) 415-4006. Furthermore, you can obtain the SAI on the SEC's website at www.sec.gov or the Fund's website at www.zegaetfs.com.

Investment Adviser

Toroso Investments, LLC
898 N. Broadway, Suite 2
Massapequa, New York 11758

Independent Registered Public Accounting Firm

Cohen & Company, Ltd.
342 N. Water Street, Suite 1800
Milwaukee, Wisconsin 53202

Investment Sub-Adviser

ZEGA Financial, LLC
777 Flagler Drive, Suite 800, West Tower
West Palm Beach, Florida 33401

Legal Counsel

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

Custodian

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

Fund Administrator

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

Transfer Agent, Fund Accountant and Fund Sub-Administrator

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

Distributor

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

Fund Information

Fund	Ticker	CUSIP
ZEGA Buy and Hedge ETF	ZHDG	886364660