



EUCLID

INVESTMENT ADVISORY

Euclid Capital Growth ETF

Ticker: EUCG

Semi-Annual Report

May 31, 2021

Euclid Capital Growth ETF

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Euclid Capital Growth ETF

Dear Shareholders,

When we launched the Euclid Capital Growth ETF (the “Fund”) at the turn of the year, we had just come off a year in which the benefits of rebalancing on an active basis were obvious. Last year was a textbook example of how quickly economies and markets can turn. We have been immersed in a market unlike anything we have ever experienced, an event which has impacted how we work, play, travel, and shop and how we connect and interact with each other.

When markets grow and rise calmly, it is easy to underestimate the value of rebalancing using the relative strength of each segment, but when they gyrate rapidly as they did in March of last year when the economies of the world were shut, the value of this active management comes into play.

The Fund generally invests in exchange-traded funds (“ETFs”) that seek to track various indices. Since the Fund’s strategy relies on trend-following, market analysis and risk assessment to direct assets into different asset classes across a wide range of segments and sectors in low-risk periods and into lower risk segments when risk is assessed to be higher, we focus on these factors to minimize risk. We measure on a daily basis how each of the underlying ETF’s are moving relative to the S&P 500® Total Return Index. We compare the strategy to a horse race but with the ability to switch to a faster horse as the race progresses.

We select investments across a wide range of classes and structure the fund’s holdings from a universe of approximately 300 ETFs representing specific domestic sectors to broad regional or asset class funds. Our investment team uses the model to assess systematic market risk and the relative strength of the various asset classes.

While the Fund’s investment strategy is heavily dependent on proprietary quantitative models, the investment experience of the managers works into portfolio decisions based on their ability to interpret geopolitical and macroeconomic criteria not found in the models.

While many managers focus on long term strategic trends alone, the Fund’s investment strategy is both tactical and strategic. There are many pathways which the economy might follow from very positive to very negative. We believe that real inflation is a distinct possibility for the long term, and trust in government, the regulators, and the press has reached new lows. As a consequence of market trends, during the period ended May 31, 2021, we rotated the Fund’s investments into more reopening and consumption focused segments and away from closed economy segments. We have seen reports that inflation jumped to about 5% annualized and we have experienced a jump in food and fuel prices. The Federal Reserve dismisses the current increase in inflation as a transitory increase that will fade when the economy gets back to “normal”. Alarms should be going off in the bond market given the rise in inflation, yet interest rates fell after the release of consumer price data for the period ended May 31, 2021. Seems the market, so far, has bought the Federal Reserve’s position that the increase in inflation is transitory.

One conclusion is that all of the negatives for bonds, e.g., huge fiscal and monetary stimulus, strong economic growth, widespread wage increases (which are sticky, unlike materials), planned infrastructure spending, etc., have been priced in by the market. If correct, that could indicate an economic slowdown will occur in the second half of 2021. Already we are seeing reports that housing sales and new permits have slid since April and auto sales have declined. If the economy is in great shape, how can the performance of the S&P 500® Total Return Index’s Consumer Discretionary sector be ranked among the laggards?

On the other hand, our model indicators are showing that interest rates have fallen too far, too fast in the near term while their longer-term trends are still rising. (When in doubt, we get strategic direction from the longer-term trend). We believe this means that inflation has at least an even chance of getting stronger and for longer as the services sector is just reopening and aggregate demand and wage pressure increase.

Important Information

Before investing you should carefully consider the Fund’s investment objectives, risks, charges, and expenses. This and other information are in the prospectus. A prospectus may be obtained by visiting www.euclidetfs.com. Please read the prospectus carefully before you invest. Past performance does not guarantee future results.

As with all ETFs, Fund shares may be bought and sold in the secondary market at market prices. The market price normally should approximate the Fund’s NAV per share, but the market price sometimes may be higher or lower than the NAV. The Fund is new with a limited operating history. There are a limited number of financial institutions authorized to buy and sell shares directly with the Fund, and there may be a limited number of other liquidity providers in the marketplace. There is no assurance that Fund shares will trade at any volume, or at all, on any stock exchange. Low trading activity may result in shares trading at a material discount to NAV. Investing involves risk, including the potential loss of principal. There is no guarantee that the Fund’s investment strategy will be successful. Foreign and emerging market investing involves currency, political and economic risk. 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. Investments made in small and mid-capitalization companies may be more volatile and less liquid due to limited resources or product lines and more sensitive to economic factors. The composition of the Fund is heavily dependent on proprietary quantitative models and third-party data which may prove to be incorrect or incomplete. The Fund will incur higher and duplicative expenses because it invests in Underlying ETFs and will be subject to the same risks as the underlying ETFs.

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

Shares of the Fund are distributed by Foreside Fund Services, LLC.

Euclid Capital Growth ETF

PORTFOLIO ALLOCATION at May 31, 2021 (Unaudited)

Security Type	% of Net Assets
Exchange Traded Funds	73.8%
Cash & Cash Equivalents ⁽¹⁾	26.2
Total	100.0%

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

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SCHEDULE OF INVESTMENTS at May 31, 2020 (Unaudited)

	Shares	Value
Exchange Traded Funds — 73.8%		
Energy Select Sector SPDR Fund	100,048	\$ 5,223,506
Financial Select Sector SPDR Fund	254,875	9,682,701
Industrial Select Sector SPDR Fund	42,554	4,473,277
Materials Select Sector SPDR Fund	54,762	4,778,532
SPDR S&P Homebuilders ETF	39,576	2,967,013
SPDR S&P Metals & Mining ETF	70,082	3,257,412
SPDR S&P Retail ETF	31,378	2,929,450
SPDR S&P Transportation ETF	22,452	<u>2,041,111</u>
Total Exchange Traded Funds		<u>35,353,002</u>
(Cost \$33,091,256)		
Short-Term Investments — 26.3%		
Money Market Funds — 26.3%		
First American Government Obligations Fund, Class X, 0.026% ⁽¹⁾	12,610,632	<u>12,610,632</u>
Total Short-Term Investments		<u>12,610,632</u>
(Cost \$12,610,632)		
Total Investments in Securities — 100.1%		47,963,634
(Cost \$45,701,888)		
Liabilities in Excess of Other Assets – (0.1)%		<u>(25,750)</u>
Total Net Assets — 100.0%		<u>\$ 47,937,884</u>

(1) The rate quoted is the annualized seven-day effective yield as of May 31, 2021.

Euclid Capital Growth ETF

STATEMENT OF ASSETS AND LIABILITIES at May 31, 2021 (Unaudited)

Assets:	
Investments in securities, at value (Note 2)	\$ 47,963,634
Receivables:	
Dividends and interest	282
Total assets	<u>47,963,916</u>
Liabilities:	
Payables:	
Management fees (Note 4)	26,032
Total liabilities	<u>26,032</u>
Net Assets	<u>\$ 47,937,884</u>
Components of Net Assets:	
Paid-in capital	\$ 44,293,317
Total distributable (accumulated) earnings (losses)	3,644,567
Net assets	<u>\$ 47,937,884</u>
Net Asset Value (unlimited shares authorized):	
Net assets	\$ 47,937,884
Shares of beneficial interest issued and outstanding	1,710,000
Net asset value	<u>\$ 28.03</u>
Cost of investments	<u>\$ 45,701,888</u>

Euclid Capital Growth ETF

STATEMENT OF OPERATIONS For the Period Ended May 31, 2021 (Unaudited)⁽¹⁾

Investment Income:

Dividend income	\$ 151,077
Interest income (Note 5)	628
Securities lending income	401
Total investment income	152,106

Expenses:

Management fees (Note 4)	101,045
Total expenses	101,045
Net investment income (loss)	51,061

Realized and Unrealized Gain (Loss) on Investments:

Net realized gain (loss) on investments	1,331,760
Change in net unrealized appreciation/depreciation on investments	2,261,746
Net realized and unrealized gain (loss) on investments	3,593,506
Net increase (decrease) in net assets resulting from operations	\$ 3,644,567

⁽¹⁾ The Fund commenced operations on December 31, 2020. The information presented is from December 31, 2020 to May 31, 2021.

Euclid Capital Growth ETF

STATEMENT OF CHANGES IN NET ASSETS

	Period Ended May 31, 2021 (Unaudited)⁽¹⁾
Increase (Decrease) in Net Assets From:	
Operations:	
Net investment income (loss)	\$ 51,061
Net realized gain (loss) on investments	1,331,760
Change in net unrealized appreciation/depreciation on investments	2,261,746
Net increase (decrease) in net assets resulting from operations	3,644,567
Distributions to Shareholders:	
Net distributions to shareholders	—
Capital Share Transactions:	
Net increase (decrease) in net assets derived from net changes in outstanding shares ⁽²⁾	44,293,317
Total increase (decrease) in net assets	47,937,884
Net Assets:	
Beginning of period	—
End of period	\$ 47,937,884

⁽¹⁾ The Fund commenced operations on December 31, 2020. The information presented is from December 31, 2020 to May 31, 2021.

⁽²⁾ Summary of share transactions is as follows:

	Period Ended May 31, 2021 (Unaudited)⁽¹⁾	
	Shares	Value
Shares sold	1,785,000	\$ 46,339,887
Shares redeemed	(75,000)	(2,046,570)
Net increase (decrease)	1,710,000	\$ 44,293,317

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FINANCIAL HIGHLIGHTS For a capital share outstanding throughout the period

	Period Ended May 31, 2021 (Unaudited)⁽¹⁾
Net asset value, beginning of period	\$ 25.00
Income from Investment Operations:	
Net investment income (loss) ⁽²⁾	0.04
Net realized and unrealized gain (loss) on investments	2.99
Total from investment operations	3.03
Less Distributions:	
From net investment income	—
Total distributions	—
Net asset value, end of period	\$ 28.03
Total return ⁽³⁾⁽⁴⁾	12.14%
Ratios / Supplemental Data:	
Net assets, end of period (millions)	\$ 47.9
Portfolio turnover rate ⁽⁵⁾	358%
Ratio of expenses to average net assets ⁽⁵⁾	0.65%
Ratio of net investment income (loss) to average net assets ⁽⁵⁾	0.33%

⁽¹⁾ The Fund commenced operations on December 31, 2020. The information presented is from December 31, 2020 to May 31, 2021.

⁽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.

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NOTES TO FINANCIAL STATEMENTS May 31, 2021 (Unaudited)

NOTE 1 – ORGANIZATION

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 December 31, 2020.

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

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

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

- A. *Security Valuation.* Equity securities, 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.

For securities for which quotations are not readily available, a fair value will be determined by the Valuation Committee using the Fair Value Procedures approved 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 Fair Value Procedures adopted by the Board. Fair value pricing is an inherently subjective process, and no single standard exists for determining fair value. Different funds could reasonably arrive at different values for the same security. The use of fair value pricing by a fund may cause the net asset value of its shares to differ significantly from the net asset value that would be calculated without regard to such considerations.

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

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

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.

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NOTES TO FINANCIAL STATEMENTS May 31, 2021 (Unaudited) (Continued)

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 May 31, 2021:

Investments in Securities	Level 1	Level 2	Level 3	Total
Exchange Traded Funds	\$ 35,353,002	\$ —	\$ —	\$ 35,353,002
Short-Term Investments	12,610,632	—	—	12,610,632
Total Investments in Securities	<u>\$ 47,963,634</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 47,963,634</u>

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

In order to avoid imposition of the excise tax applicable to regulated investment companies, the Fund intends to declare as dividends in each calendar year at least 98.0% of its net investment income (earned during the calendar year) and at least 98.2% of its net realized capital gains (earned during the twelve months ended November 30) plus undistributed amounts, if any, from prior years.

As of May 31, 2021, 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.

- C. *Securities Transactions and Investment Income.* Investment securities transactions are accounted for on the trade date. Gains and losses realized on sales of securities are determined on a specific identification basis. Discounts/premiums on debt securities purchased are accreted/amortized over the life of the respective securities using the effective interest method. Dividend income is recorded on the ex-dividend date. Dividends received from REITs generally are comprised of ordinary income, capital gains, and may include return of capital. Debt income is recorded on an accrual basis. Other non-cash dividends are recognized as investment income at the fair value of the property received. Withholding taxes on foreign dividends have been provided for in accordance with the Trust's understanding of the applicable country's tax rules and rates.
- D. *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.
- E. *Use of Estimates.* The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amount of revenue and expenses during the reporting period. Actual results could differ from those estimates.
- F. *Share Valuation.* The net asset value (“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.
- G. *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.
- H. *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.

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NOTES TO FINANCIAL STATEMENTS May 31, 2021 (Unaudited) (Continued)

NOTE 3 – PRINCIPAL INVESTMENT RISKS

- A. *Asset Allocation Risk.* The Fund may favor an asset class or investment style that performs poorly relative to other asset classes and investment styles for short or long periods of time. Additionally, because the Fund may weight certain asset classes or investment styles at zero, the Fund may miss positive changes in an asset class' or investment style's performance and fail to capture upside performance for an asset class or investment style.
- B. *Emerging Markets Risk.* The Fund may invest in shares of ETFs that seek to track various indices ("Underlying ETFs") that invest in securities issued by companies domiciled or headquartered in emerging market nations. Investments in securities traded in developing or emerging markets, or that provide exposure to such securities or markets, can involve additional risks relating to political, economic, currency, or regulatory conditions not associated with investments in U.S. securities and investments in more developed international markets. Such conditions may impact the ability of the Fund to buy, sell or otherwise transfer securities, adversely affect the trading market and price for Fund Shares and cause the Fund to decline in value.
- C. *Equity Market Risk.* The equity securities held by the Underlying ETFs in which the Fund invests 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 an Underlying ETF invests. 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. Securities in an Underlying ETF's portfolio may underperform in comparison to securities in the general securities 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, or government controls.
- D. *Exchange Traded Fund ("ETF") Risks.*
- *Authorized Participants, Market Makers, and Liquidity Providers Concentration Risk.* The Fund has a limited number of financial institutions that are authorized to purchase and redeem Shares directly from the Fund (known as "Authorized Participants" or "APs"). In addition, there may be a limited number of market makers and/or liquidity providers in the marketplace. To the extent either of the following events occur, Shares may trade at a material discount to NAV and possibly face delisting: (i) APs exit the business or otherwise become unable to process creation and/or redemption orders and no other APs step forward to perform these services; or (ii) market makers and/or liquidity providers exit the business or significantly reduce their business activities and no other entities step forward to perform their functions.
 - *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 Cboe BZX Exchange, Inc. (the "Exchange"), and may be traded on U.S. exchanges other than the Exchange, there can be no assurance that Shares will trade with any volume, or at all, on any stock exchange. In stressed market conditions, the liquidity of Shares may begin to mirror the liquidity of the Fund's underlying portfolio holdings, which can be significantly less liquid than Shares.
- E. *Fixed Income Securities Risk.* The Fund may invest in Underlying ETFs that invest in fixed income securities. The prices of fixed income securities may be affected by changes in interest rates, the creditworthiness and financial strength of the issuer and other factors. An increase in prevailing interest rates typically causes the value of existing fixed income securities to fall and often has a greater impact on longer-duration and/or higher quality fixed income securities. Falling interest rates will cause an Underlying ETF to reinvest the proceeds of fixed income securities that have been repaid by the issuer at lower interest rates and may also

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NOTES TO FINANCIAL STATEMENTS May 31, 2021 (Unaudited) (Continued)

reduce such Underlying ETF's distributable income because interest payments on floating rate fixed income instruments held by the Underlying ETF will decline. The Fund could lose money on indirect investments in fixed income securities if the issuer or borrower fails to meet its obligations to make interest payments and/or to repay principal in a timely manner.

- F. *Foreign Securities Risks.* Foreign securities held by Underlying ETFs in which the Fund invests involve certain risks not involved in domestic investments and may experience more rapid and extreme changes in value than investments in securities of U.S. companies. Financial markets in foreign countries often are not as developed, efficient or liquid as financial markets in the United States, and therefore, the prices of non-U.S. securities can be more volatile. In addition, the Fund will be subject to risks associated with adverse political and economic developments in foreign countries, which may include the imposition of economic sanctions. Generally, there is less readily available and reliable information about non-U.S. issuers due to less rigorous disclosure or accounting standards and regulatory practices.
- G. *Market Capitalization Risk.* These risks apply to the extent the Underlying ETFs in which the Fund invests hold securities of large-, mid- and small-capitalization 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.
 - *Mid-Capitalization Investing.* The securities of mid-capitalization companies may be more vulnerable to adverse issuer, market, political, or economic developments than securities of large-capitalization companies. The securities of mid-capitalization companies generally trade in lower volumes and are subject to greater and more unpredictable price changes than large capitalization stocks or the stock market as a whole.
 - *Small-Capitalization Investing.* The securities of small-capitalization companies may be more vulnerable to adverse issuer, market, political, or economic developments than securities of large- or mid-capitalization companies. The securities of small-capitalization companies generally trade in lower volumes and are subject to greater and more unpredictable price changes than large- or mid-capitalization stocks or the stock market as a whole. There is typically less publicly available information concerning smaller-capitalization companies than for larger, more established companies.
- H. *MLP Risk.* The Fund's exposure to MLPs held by Underlying ETFs in which the Fund invests may subject the Fund to greater volatility than investments in traditional securities. The value of MLPs and MLP based exchange traded funds and notes may be affected by changes in overall market movements, commodity index volatility, changes in interest rates, or sectors affecting a particular industry or commodity, such as drought, floods, weather, livestock disease, embargoes, tariffs, and international economic, political and regulatory developments. To the extent the Underlying ETFs' investments in MLPs expose the Fund's portfolio to the energy sector, such as the oil and gas industries, the Fund may experience additional risks related to these industries.
- I. *Models and Data Risk.* The composition of the Fund's portfolio is heavily dependent on proprietary quantitative models as well as information and data supplied by third parties ("Models and Data"). When Models and Data prove to be incorrect or incomplete, any decisions made in reliance thereon may lead to the inclusion or exclusion of securities from the Fund's portfolio universe that would have been excluded or included had the Models and Data been correct and complete.
- J. *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.
- K. *REIT Risk.* A REIT is a company that owns or finances income-producing real estate. The Fund may invest in Underlying ETFs that invest in REITs. Through the Underlying ETFs' investments in REITs, the Fund is subject to the risks of investing in the real estate market, including decreases in property revenues, increases in interest rates, increases in property taxes and operating expenses, legal and regulatory changes, a lack of credit or capital, defaults by borrowers or tenants, environmental problems and natural disasters. REITs are subject to additional risks, including those related to adverse governmental actions; declines in property value and the real estate market; the potential failure to qualify for tax-free pass through of income; and exemption from registration as an investment company. In addition, REITs have their own expenses, and an Underlying ETF that invests in REITs will bear a proportionate share of those expenses, in addition to the expenses of the Underlying ETF.

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NOTES TO FINANCIAL STATEMENTS May 31, 2021 (Unaudited) (Continued)

- L. *Sector Risk.* At times, the Fund may increase the relative emphasis of its investments in a particular sector or group of industries. The prices of securities of issuers in a particular sector may be more susceptible to fluctuations due to changes in economic or business conditions, government regulations, availability of basic resources or supplies, or other events that affect that industry or sector more than securities of issuers in other industries and sectors. To the extent that the Fund increases the relative emphasis of its investments in a particular industry or sector, the value of Shares may fluctuate in response to events affecting that industry or sector.
- M. *Style Risk.* At times, the Fund may increase the relative emphasis of its investments in a particular style, such as value-oriented or growth-oriented stocks. Certain styles of investing may over time go in and out of favor. To the extent the Fund favors a particular style that is out of favor, the Fund may underperform other funds that use different investing styles.
- N. *Underlying ETFs Risks.* The Fund will incur higher and duplicative expenses because it invests in Underlying ETFs. There is also the risk that the Fund may suffer losses due to the investment practices of the Underlying ETFs. The Fund will be subject to substantially the same risks as those associated with the direct ownership of securities held by the Underlying ETFs. Additionally, Underlying ETFs are also subject to the “ETF Risks” described above.

NOTE 4 – COMMITMENTS AND OTHER RELATED PARTY TRANSACTIONS

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

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 0.65%. 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, distribution fees and expenses paid by the Fund under any distribution plan adopted pursuant to Rule 12b-1 under the 1940 Act, and the Management Fee payable to the Adviser (collectively, “Excluded Expenses”). The Management Fees incurred are paid monthly to the Adviser. Management Fees for the period ended May 31, 2021 are disclosed in the Statement of Operations.

Euclid Investment Advisory, LLC serves as the investment 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 0.15% of the Fund’s average daily net assets (the “Sub-Advisory Fee”).

Under the Sub-Advisory Agreement, 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. Such expenses incurred by the Fund and paid by the Sub-Adviser include fees charged by Tidal (defined below), which is the Fund’s administrator and 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

Euclid Capital Growth ETF

NOTES TO FINANCIAL STATEMENTS May 31, 2021 (Unaudited) (Continued)

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 or the Trust's officers receive compensation from the Fund.

NOTE 5 – SECURITIES LENDING

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

During the period ended May 31, 2021, the Fund loaned securities that were collateralized by cash. The cash collateral was invested in the Mount Vernon Liquid Assets Portfolio, LLC of which the investment objective is to seek to maximize income to the extent consistent with the preservation of capital and liquidity and maintain a stable NAV of \$1.00. Although risk is mitigated by the collateral, the Fund could experience a delay in recovering their securities and possible loss of income or value if the borrower fails to return the borrowed securities. In addition, the Fund bears the risk of loss associated with the investment of cash collateral received.

As of May 31, 2021, the Fund had no loaned securities outstanding. Securities lending income is disclosed in the Fund's Statement of Operations.

NOTE 6 – INCOME TAXES AND DISTRIBUTIONS TO SHAREHOLDERS

For the period ended May 31, 2021, the cost of purchases and proceeds from the sales or maturities of securities, excluding short-term investments and U.S. government securities were \$134,461,600 and \$102,702,104, respectively.

There were no purchases or sales of long-term U.S. Government securities for the period ended May 31, 2021.

NOTE 7 – 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 May 31, 2021. Differences between the tax cost of investments and the cost noted in the Schedule of Investments will be determined at fiscal year-end. The Fund did not have any distributions paid during the period ended May 31, 2021.

Net capital losses incurred after November 30 and net investment losses incurred after December 31, and within the taxable year, are deemed to arise on the first business day of the Fund's next taxable year. The Fund commenced operations on December 31, 2020, therefore, the Fund had no late year losses, no post-October losses, and no capital loss carryovers.

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

Euclid Capital Growth ETF

NOTES TO FINANCIAL STATEMENTS May 31, 2021 (Unaudited) (Continued)

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 \$250, payable to the Custodian. The fixed transaction fee may be waived on certain orders if the Fund's Custodian has determined to waive some or all of the costs associated with the order or another party, such as the Adviser, has agreed to pay such fee. In addition, a variable fee may be charged on all cash transactions or substitutes for Creation Units and Redemption Units of up to a maximum of 2% of the value of the Creation Units and Redemption Units subject to the transaction. Variable fees received by the Fund, if any, are disclosed in the capital shares transactions section of the Statement of Changes in Net Assets. The Fund may issue an unlimited number of shares of beneficial interest, with no par value. All shares of the Fund have equal rights and privileges.

NOTE 9 – COVID-19 PANDEMIC

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 the novel coronavirus (COVID-19) as a global pandemic, which has resulted in public health issues, growth concerns in the U.S. and overseas, layoffs, rising unemployment claims, changed travel and social behaviors, and reduced consumer spending. The recovery from the effects of COVID-19 is uncertain and may last for an extended period of time. 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. As a result, the risk environment remains elevated. The Adviser will monitor developments and seek to manage the Fund in a manner consistent with the Fund's investment objective but there can be no assurance that it will be successful in doing so.

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.

On July 7, 2021, Foreside Financial Group, LLC, the indirect parent company of Foreside Fund Services, LLC ("Foreside"), which serves as the Fund's distributor, and Lovell Minnick Partners, LLC ("LMP") announced that they had entered into a definitive purchase and sale agreement with Genstar Capital ("Genstar") such that Genstar will acquire a majority stake in Foreside Financial Group, LLC and LMP will exit its investment in Foreside Financial Group, LLC. The transaction is expected to close at the end of the third quarter of 2021. Foreside will remain the Fund's distributor at the close of the transaction, subject to Board approval.

Effective as of the close of business on July 27, 2021, Bridget P. Garcia, Esq., Compliance Manager of Cipperman Compliance Services ("Cipperman"), has resigned as Chief Compliance Officer of the Trust. William H. Woolverton, Esq., Senior Compliance Advisor of Cipperman, has been approved by the Board of Trustees of the Trust as a replacement Chief Compliance Officer for the Trust effective as of the close of business on July 27, 2021.

Euclid Capital Growth ETF

EXPENSE EXAMPLE For the Periods Ended May 31, 2021 (Unaudited)

As a shareholder of the Fund, you incur two types of costs: (1) transaction costs, including brokerage commissions paid on purchases and sales of the Fund's shares, and (2) ongoing costs, including management fees of the Fund. The example is intended to help you understand your ongoing costs (in dollars) of investing in the Fund and to compare these costs with the ongoing costs of investing in other funds. The actual expense 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 December 31, 2020 (commencement of operations) to May 31, 2021. The hypothetical example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period indicated, which is from December 1, 2020 to May 31, 2021.

Actual Expenses

The first line of the following table provides information about actual account values based on actual returns and actual expenses. To the extent the Fund invests in shares of other investment companies as part of its investment strategy, you will indirectly bear your proportionate share of any fees and expenses charged by the underlying funds in which the Fund invests in addition to the expenses of the Fund. Actual expenses of the underlying funds are expected to vary among the various underlying funds. These expenses are not included in the example. The example includes, but is not limited to, unitary fees. However, the example does not include portfolio trading commissions and related expenses. You may use the information in this line, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then, multiply the result by the number in the first line under the heading entitled "Expenses Paid During the Period" to estimate the expenses you paid on your account during this period.

Hypothetical Example for Comparison Purposes

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

	Beginning Account Value December 31, 2020	Ending Account Value May 31, 2021	Expenses Paid During the Period December 31, 2020 – May 31, 2021⁽¹⁾
Actual	\$1,000.00	\$1,121.40	\$2.87
			Expenses Paid During the Period December 1, 2020 – May 31, 2021⁽²⁾
Hypothetical (5% annual return before expenses)	\$1,000.00	\$1,021.69	\$3.28

⁽¹⁾ The actual expenses are equal to the Fund's annualized net expense ratio of 0.65%, multiplied by the average account value over the period, multiplied by 152/365 (to reflect the period from December 31, 2020 to May 31, 2021, the commencement of operations date to the end of the period).

⁽²⁾ The hypothetical expenses are equal to the Fund's annualized net expense ratio of 0.65%, multiplied by the average account value over the period, multiplied by 182/365 (to reflect the most recent six-month period).

Euclid Capital Growth ETF

BASIS FOR TRUSTEES' APPROVAL OF INVESTMENT ADVISORY AND SUB-ADVISORY AGREEMENTS (Unaudited)

The Board of Trustees (the "Board" or the "Trustees") of Tidal ETF Trust (the "Trust") met via video conference at a meeting held on December 18, 2020 to consider the initial approval of the Investment Advisory Agreement (the "Advisory Agreement") between the Trust, on behalf of the Euclid Capital Growth ETF (the "Fund"), a series of the Trust, and Toroso Investments, LLC, the Fund's investment adviser (the "Adviser"). Prior to this meeting, the Board requested and received materials to assist them in considering the approval of the Advisory Agreement. The materials provided contained information with respect to the factors enumerated below, including a copy of the Advisory Agreement, a memorandum prepared by the Trust's outside legal counsel discussing in detail the Trustees' fiduciary obligations and the factors they should assess in considering the approval of the Advisory Agreement, due diligence materials relating to the Adviser (including the due diligence response completed by the Adviser with respect to a specific request letter from the Trust's outside legal counsel, the Adviser's Form ADV, select ownership, organizational, financial and insurance information for the Adviser, bibliographic information of the Adviser's key management and compliance personnel, detailed comparative information regarding the proposed unitary advisory fee for the Fund, and information regarding the Adviser's compliance program) and other pertinent information. Based on their evaluation of the information provided, the Trustees, by a unanimous vote (including a separate vote of the Trustees who are not "interested persons," as that term is defined in the Investment Company Act of 1940, as amended (the "Independent Trustees")), approved the Advisory Agreement for an initial two-year term.

Discussion of Factors Considered

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

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

The Board also considered other services to be provided to the Fund, such as monitoring adherence to the Fund's investment strategy and restrictions, oversight of Euclid Investment Advisory, LLC (the "Sub-Adviser"), the Fund's investment sub-adviser, and other service providers to the Fund, monitoring compliance with various Fund policies and procedures and with applicable securities regulations, and monitoring the extent to which the Fund achieves its investment objective as an actively-managed ETF. The Board noted that the Adviser would be responsible for trade execution and the Sub-Adviser would be responsible for selecting the Fund's investments, subject to the supervision of the Adviser.

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

2. **Investment performance of the Fund and the Adviser.** The Board noted that the Fund had not yet commenced operations and, therefore, concluded that performance of the Fund was not a relevant factor for consideration. The Board also considered that because the investment decision-making for the Fund would be performed by the Sub-Adviser, the Fund's performance would not be the direct result of investment decisions made by the Adviser. Consequently, with respect to the Fund's performance, the Board in the future would focus on the Adviser's services, including the extent to which the Fund's performance was achieving its investment objective, as well as the Adviser's oversight of the Sub-Adviser's services.
3. **Cost of services to be provided and profits to be realized by the Adviser.** The Board considered the cost of services and the structure of the Adviser's proposed advisory fee, including a review of comparative expenses, expense components and peer group selection. The Board took into consideration that the advisory fee was a "unitary fee," meaning that the Fund would pay no expenses other than the advisory fee and certain other costs such as interest, brokerage, and extraordinary expenses and, to the extent it is implemented, fees pursuant to the Fund's Rule 12b-1 Plan. The Board noted that the Adviser agrees to pay all other expenses incurred by the Fund. The Board considered comparative information prepared by U.S. Bancorp Fund Services,

Euclid Capital Growth ETF

BASIS FOR TRUSTEES' APPROVAL OF INVESTMENT ADVISORY AND SUB-ADVISORY AGREEMENTS (Unaudited) (Continued)

LLC, doing business as U.S. Bank Global Fund Services (“Fund Services”) utilizing data provided by Morningstar Direct relating to the cost structure of the Fund relative to a peer group. The Fund was compared to ETFs in the U.S. Fund Tactical Allocation category.

The Board concluded that the Fund’s proposed expense ratio and the advisory fee to be paid to the Adviser were fair and reasonable in light of the comparative expense information and the investment management services to be provided to the Fund by the Adviser given the nature of the Fund’s strategy. The Board also concluded, in light of the Fund’s strategy and investments primarily in exchange-traded funds (“underlying ETFs”), that the advisory fee to be paid to the Adviser is based on services provided by the Adviser that will be in addition to, rather than duplicative of, the services provided under the advisory agreements for the underlying ETFs. The Board also evaluated, based on information provided by the Adviser, the compensation and benefits expected to be received by the Adviser and its affiliates from its relationship with the Fund, taking into account an analysis of the Adviser’s expected profitability with respect to the Fund and the Board further concluded that the Adviser had adequate financial resources to support its services to the Fund from the revenues of its overall investment advisory business.

4. **Extent of economies of scale as the Fund grows.** The Board considered the potential economies of scale that the Fund might realize under the structure of the proposed advisory fee. The Board noted the advisory fee did not contain any breakpoint reductions as the Fund’s assets grow in size, but that the Adviser would evaluate future circumstances that may warrant breakpoints in the fee structures.
5. **Benefits to be derived from the relationship with the Fund.** The Board considered the direct and indirect benefits that could be received by the Adviser and its affiliates from association with the Fund. The Board concluded that the benefits the Adviser may receive, such as greater name recognition or the ability to attract additional investor assets, appear to be reasonable and in many cases may benefit the Fund.

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

At the meeting held on December 18, 2020, the Board also considered the initial approval of the sub-advisory agreement (the “Sub-Advisory Agreement”) for the Fund, entered into between the Adviser and the Sub-Adviser. Prior to this meeting, the Board requested and received materials to assist them in considering the approval of the Sub-Advisory Agreement. The materials provided contained information with respect to the factors enumerated below, including copies of the Sub-Advisory Agreement, a memorandum prepared by the Trust’s outside legal counsel discussing in detail the Trustees’ fiduciary obligations and the factors they should assess in considering the approval of the Sub-Advisory Agreement, due diligence materials prepared by the Sub-Adviser (including the due diligence response completed by the Sub-Adviser with respect to a specific request letter from the Trust’s outside legal counsel, Form ADV, select ownership, organizational, financial and insurance information for the Sub-Adviser, bibliographic information of key management and compliance personnel, and the Sub-Adviser’s compliance manual and code of ethics) and other pertinent information. Based on their evaluation of the information provided, the Trustees, by a unanimous vote (including a separate vote of the Independent Trustees), approved the Sub-Advisory Agreement for an initial two-year term.

Discussion of Factors Considered

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

1. **Nature, extent and quality of services to be provided.** The Board considered the nature, extent and quality of the Sub-Adviser’s overall services to be provided to the Fund as well as its specific responsibilities in all aspects of day-to-day investment management of the Fund. The Board considered the qualifications, experience and responsibilities of William Hoover, Frederic Smoak, John Creekmur and Karl Ashley, who will each serve as a portfolio manager for the Fund, as well as the responsibilities of other key personnel of the Sub-Adviser to be involved in the day-to-day activities of the Fund. The Board reviewed the due diligence information provided by the Sub-Adviser, including information regarding the Sub-Adviser’s compliance program, its compliance personnel and compliance record, as well as the Sub-Adviser’s cybersecurity program and business continuity plan. The Board noted that the Sub-Adviser manages other separately-managed accounts that utilize a strategy similar to the strategy that is to be employed by the Fund.

Euclid Capital Growth ETF

BASIS FOR TRUSTEES' APPROVAL OF INVESTMENT ADVISORY AND SUB-ADVISORY AGREEMENTS (Unaudited) (Continued)

The Board also considered other services to be provided to the Fund, such as monitoring adherence to the Fund's investment strategies and restrictions, monitoring compliance with various Fund policies and procedures and with applicable securities regulations, monitoring the extent to which the Fund meets its investment objective as an actively-managed ETF and quarterly reporting to the Board. The Board noted that the Sub-Adviser would be responsible for the Fund's investment selection, subject to oversight by the Adviser.

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

2. **Investment performance of the Fund and the Sub-Adviser.** The Board noted that the Fund had not yet commenced operations and, therefore, concluded that performance of the Fund was not a relevant factor for consideration.
3. **Cost of services to be provided and profits to be realized by the Sub-Adviser.** The Board considered the structure of the proposed sub-advisory fee to be paid by the Adviser to the Sub-Adviser under the Sub-Advisory Agreement. The Board noted that the Adviser represented to the Board that the sub-advisory fee payable under the Sub-Advisory Agreement was reasonable in light of the services to be performed by the Sub-Adviser. Since the sub-advisory fee is to be paid by the Adviser, the overall advisory fee paid by the Fund is not directly affected by the sub-advisory fee paid to the Sub-Adviser. Consequently, the Board did not consider the cost of services provided by the Sub-Adviser or the potential profitability of its relationship with the Fund to be material factors for consideration given that the Sub-Adviser is not affiliated with the Adviser and, therefore, the sub-advisory fee to be paid to the Sub-Adviser was negotiated on an arm's-length basis. Based on all of these factors, the Board concluded that the sub-advisory fee to be paid to the Sub-Adviser by the Adviser reflected an appropriate allocation of the advisory fee and was reasonable in light of the services to be provided by the Sub-Adviser.
4. **Extent of economies of scale as the Fund grows.** Since the sub-advisory fee payable to the Sub-Adviser is not paid by the Fund, the Board did not consider whether the sub-advisory fee should reflect any potential economies of scale that might be realized as the Fund's assets increase.
5. **Benefits to be derived from the relationship with the Fund.** The Board considered the direct and indirect benefits that could be received by the Sub-Adviser from its association with the Fund. The Board concluded that the benefits the Sub-Adviser may receive, such as greater name recognition or the ability to attract additional investor assets, appear to be reasonable and in many cases may benefit the Fund.

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

Euclid Capital Growth ETF

STATEMENT REGARDING LIQUIDITY RISK MANAGEMENT PROGRAM (Unaudited)

In accordance with Rule 22e-4 under the Investment Company Act of 1940, as amended (“Rule 22e-4”), Tidal ETF Trust (the “Trust”), on behalf of its series, the Euclid Capital Growth ETF, 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 Fund 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 19, 2020, the Board reviewed the Program Administrator’s written annual report for the period December 1, 2019 through September 30, 2020 (the “Report”). The Program assesses liquidity risk under both normal and reasonably foreseeable stressed market conditions. The risk is managed by monitoring the degree of liquidity of a Fund’s investments, limiting the amount of illiquid investments and utilizing various risk management tools and facilities available to a Fund, among other means. The Trust has engaged the services of ICE Data Services, a third-party vendor, to provide daily portfolio investment classification services to assist in the Program Administrator’s assessment. The Report noted that no material changes had been made to the Program during the review period. The Program Administrator determined that the Program is adequately designed and operating effectively.

The Fund commenced operations on December 31, 2020 and was not a part of the Report but has adopted the Program upon commencement of operations.

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) 340-7099 or by accessing the Fund’s website at www.euclidetfs.com. Furthermore, you can obtain the description on the SEC’s website at www.sec.gov.

When available, 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) 340-7099 or by accessing the SEC’s website at www.sec.gov.

INFORMATION ABOUT THE PORTFOLIO HOLDINGS (Unaudited)

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) 340-7099. Furthermore, you can obtain the Part F of Form N-PORT on the SEC’s website at www.sec.gov. The Fund’s portfolio holdings are posted on the Fund’s website daily at www.euclidetfs.com.

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.euclidetfs.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) 340-7099. Furthermore, you can obtain the SAI on the SEC’s website at www.sec.gov or the Fund’s website at www.euclidetfs.com.

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Investment Adviser

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Investment Sub-Adviser

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Custodian

U.S. Bank N.A.
Custody Operations
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Milwaukee, Wisconsin 53212

Fund Administrator

Tidal ETF Services, LLC
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Massapequa, New York 11758

Transfer Agent, Fund Accountant and Fund Sub-Administrator

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

Distributor

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

Fund Information

Fund	Ticker	CUSIP
Euclid Capital Growth ETF	EUCG	886364751