



## ATAC US ROTATION ETF

TICKER: RORO

SEMI-ANNUAL REPORT

[www.atacfunds.com](http://www.atacfunds.com)

FEBRUARY 28, 2021

# ATAC US ROTATION ETF

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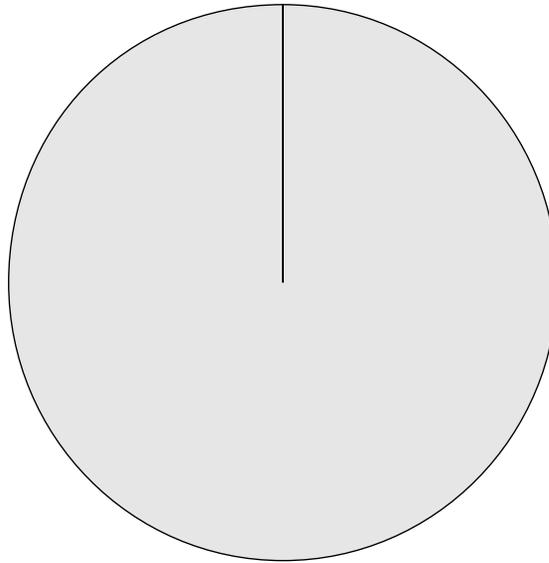
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# ATAC US ROTATION ETF

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## ASSET ALLOCATION (UNAUDITED) AS OF FEBRUARY 28, 2021<sup>(1)</sup> (% OF NET ASSETS)

Short-Term Investment &  
Liabilities in Excess of Other Assets, Net  
0.00%<sup>(1)</sup>



Exchange-Traded Funds  
100.0%

## FUND HOLDINGS (UNAUDITED) AS OF FEBRUARY 28, 2021<sup>(2)</sup> (% OF NET ASSETS)

|                                  |       |
|----------------------------------|-------|
| ProShares UltraPro Russell2000   | 14.8% |
| Schwab U.S. Large-Cap Growth ETF | 65.1% |
| Vanguard Small-Cap ETF           | 20.1% |

(1) Does not round to 0.1% or (0.1)%, as applicable.

(2) Fund holdings and asset allocation are subject to change and are not recommendations to buy or sell any securities.

# ATAC US ROTATION ETF

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## EXPENSE EXAMPLE (UNAUDITED) FOR THE PERIOD ENDED FEBRUARY 28, 2021

As a shareholder of the ATAC US Rotation ETF (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 expenses 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 November 17, 2020 (commencement of operations) to February 28, 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 September 1, 2020 to February 28, 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.*

## ATAC US ROTATION ETF

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### EXPENSE EXAMPLE (UNAUDITED) – CONTINUED FOR THE PERIOD ENDED FEBRUARY 28, 2021

|  | Beginning<br>Account Value<br>November 17, 2020 | Ending<br>Account Value<br>February 28, 2021 | Expenses Paid<br>During the Period<br>November 17, 2020 -<br>February 28, 2021 <sup>(1)</sup> |
|--|---|--|---|
| Actual   | \$ 1,000.00                                     | \$ 1,068.00                                  | \$ 2.89   |
|  | Beginning<br>Account Value<br>September 1, 2020 | Ending<br>Account Value<br>February 28, 2021 | Expenses Paid<br>During the Period<br>September 1, 2020 -<br>February 28, 2021 <sup>(2)</sup> |
| Hypothetical<br>(5% annual return before expenses) | \$ 1,000.00                                     | \$ 1,019.93                                  | \$ 4.91   |

- (1) The actual expenses are equal to the Fund's annualized net expense ratio of 0.98% (fee waivers in effect), multiplied by the average account value over the period, multiplied by 104/365 (to reflect the period from November 17, 2020 to February 28, 2021, the commencement of operations date to the end of the period).
- (2) The hypothetical expenses are equal to the net expense ratio of 0.98% (fee waivers in effect), multiplied by the average account value over the period, multiplied by 181/365 (to reflect the most recent six-month period).

# ATAC US ROTATION ETF

## SCHEDULE OF INVESTMENTS (UNAUDITED) FEBRUARY 28, 2021

| <u>Description</u>  | <u>Shares</u> | <u>Value</u>         |
|---|---------------|----------------------|
| <b>EXCHANGE-TRADED FUNDS — 100.0%</b>   |               |                      |
| ProShares UltraPro Russell2000  | 33,022        | \$ 3,476,556         |
| Schwab U.S. Large-Cap Growth ETF <sup>(1)</sup>   | 119,484       | 15,295,147           |
| Vanguard Small-Cap ETF <sup>(2)</sup>   | 22,383        | <u>4,719,232</u>     |
| <b>Total Exchange-Traded Funds</b><br>(Cost \$24,581,796)                                     |               | <u>23,490,935</u>    |
| <b>SHORT-TERM INVESTMENTS — 0.0% <sup>(3)</sup></b>   |               |                      |
| First American Government Obligations Fund - Class X, 0.036% <sup>(4)</sup><br>(Cost \$7,211) | 7,211         | <u>7,211</u>         |
| <b>INVESTMENTS PURCHASED WITH COLLATERAL FROM SECURITIES LENDING — 17.1%</b>                  |               |                      |
| Mount Vernon Liquid Assets Portfolio, LLC, 0.130% <sup>(4)</sup><br>(Cost \$4,003,650)        | 4,003,650     | <u>4,003,650</u>     |
| <b>Total Investments — 117.1%</b><br>(Cost \$28,592,657)                                      |               | 27,501,796           |
| <b>Liabilities in Excess of Other Assets, Net — (17.1)%</b>                                   |               | <u>(4,006,620)</u>   |
| <b>Total Net Assets — 100.0%</b>  |               | <u>\$ 23,495,176</u> |

(1) Fair Value of this security exceeds 25% of the Fund's net assets. Additional information for this security, including the financial statements, is available from the SEC's EDGAR database at [www.sec.gov](http://www.sec.gov).

(2) This security or a portion of this security was out on loan as of February 28, 2021. Total loaned securities had a value of \$3,921,624 or 16.7% of net assets. The remaining contractual maturity of all of the securities lending transactions is overnight and continuous.

(3) Does not round to 0.1% or (0.1)%, as applicable.

(4) The rate shown is the annualized seven-day effective yield as of February 28, 2021.

See Notes to the Financial Statements

# ATAC US ROTATION ETF

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## STATEMENT OF ASSETS AND LIABILITIES (UNAUDITED) FEBRUARY 28, 2021

### ASSETS:

Investments, at value:

Unaffiliated issuers (Cost \$28,592,657) (Note 2) <sup>(1)</sup> \$ 27,501,796

Receivables:

Investment securities sold 113,964

Securities lending income, net 88

Total assets 27,615,848

### LIABILITIES:

Collateral received for securities loaned 4,003,650

Payables:

Investment securities purchased 98,650

Management fees (Note 4) 18,372

Total liabilities 4,120,672

NET ASSETS \$ 23,495,176

### NET ASSETS CONSIST OF:

Paid-in capital \$ 23,443,968

Total distributable (accumulated) earnings (losses) 51,208

Net assets \$ 23,495,176

### Net Asset Value (unlimited shares authorized):

Net assets \$ 23,495,176

Shares of beneficial interest issued and outstanding 1,100,000

Net asset value \$ 21.36

<sup>(1)</sup> Includes loaned securities with a value of \$3,921,624.

See Notes to the Financial Statements

## ATAC US ROTATION ETF

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### STATEMENT OF OPERATIONS (UNAUDITED) FOR THE PERIOD ENDED FEBRUARY 28, 2021<sup>(1)</sup>

|  |                    |
|--|--------------------|
| <b>INVESTMENT INCOME:</b>  |                    |
| Dividend income  | \$ 52,668          |
| Securities lending income  | 88                 |
| Interest income  | <u>1</u>           |
| Total investment income  | <u>52,757</u>      |
| <b>EXPENSES:</b>   |                    |
| Management fees (Note 4)   | <u>65,102</u>      |
| Total expenses   | 65,102             |
| Less: Management fee waiver (Note 4)                                   | <u>(14,062)</u>    |
| Net expenses   | <u>51,040</u>      |
| <b>NET INVESTMENT INCOME (LOSS)</b>                                    | <u>1,717</u>       |
| <b>REALIZED AND UNREALIZED GAIN ON INVESTMENTS:</b>                    |                    |
| Net realized gain (loss) on investments                                | 1,140,352          |
| Change in net unrealized appreciation/depreciation on investments      | <u>(1,090,861)</u> |
| Net realized and unrealized gain (loss) on investments                 | <u>49,491</u>      |
| <b>NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS</b> | <u>\$ 51,208</u>   |

(1) The Fund commenced operations on November 17, 2020. The information presented is from November 17, 2020 to February 28, 2021.

See Notes to the Financial Statements

# ATAC US ROTATION ETF

## STATEMENT OF CHANGES IN NET ASSETS

|  | Period Ended<br>February 28, 2021<br>(Unaudited) <sup>(1)</sup> |
|--|---|
| <b>OPERATIONS:</b>   |   |
| Net investment income (loss)   | \$ 1,717  |
| Net realized gain (loss) on investments  | 1,140,352   |
| Change in net unrealized appreciation/depreciation on investments                                  | <u>(1,090,861)</u>  |
| Net increase (decrease) in net assets resulting from operations                                    | <u>51,208</u>   |
| <b>CAPITAL SHARE TRANSACTIONS:</b>   |   |
| Net increase (decrease) in net assets derived from net change in outstanding shares <sup>(2)</sup> | <u>23,443,968</u>   |
| <b>DISTRIBUTIONS TO SHAREHOLDERS:</b>  |   |
| Net dividends and distributions  | <u>—</u>  |
| <b>TOTAL INCREASE (DECREASE) IN NET ASSETS</b>   | <u>23,495,176</u>   |
| <b>NET ASSETS:</b>   |   |
| Beginning of period  | <u>—</u>  |
| End of period  | <u>\$ 23,495,176</u>  |

(1) The Fund commenced operations on November 17, 2020. The information presented is from November 17, 2020 to February 28, 2021.

(2) Summary of share transactions is as follows:

|                         | Period Ended<br>February 28, 2021<br>(Unaudited) <sup>(1)</sup> |                      |
|-------------------------|---|----------------------|
|                         | Shares  | Value                |
| Shares sold             | 1,575,000   | \$ 34,265,655        |
| Shares redeemed         | <u>(475,000)</u>  | <u>(10,821,687)</u>  |
| Net increase (decrease) | <u>1,100,000</u>  | <u>\$ 23,443,968</u> |

See Notes to the Financial Statements

# ATAC US ROTATION ETF

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## FINANCIAL HIGHLIGHTS

For a capital share outstanding throughout the period.

|   | Period Ended<br>February 28,<br>2021<br>(Unaudited) <sup>(1)</sup> |
|---|--|
| <b>PER SHARE DATA</b>                                       |  |
| Net asset value, beginning of period                        | \$ 20.00   |
| <b>INVESTMENT OPERATIONS:</b>                               |  |
| Net investment income (loss) <sup>(2)(6)</sup>              | 0.00   |
| Net realized and unrealized gain (loss) on investments      | 1.36   |
| Total from investment operations                            | 1.36   |
| <b>LESS DISTRIBUTIONS:</b>                                  |  |
| From net investment income                                  | —  |
| Total distributions   | —  |
| Net asset value, end of period                              | \$ 21.36   |
| <b>TOTAL RETURN</b> <sup>(3)(4)</sup>                       | 6.80%  |
| <b>SUPPLEMENTAL DATA AND RATIOS:</b>                        |  |
| Net assets, end of period (millions)                        | \$ 23.5  |
| Ratio of expenses to average net assets                     |  |
| Before management fees waived <sup>(5)</sup>                | 1.25%  |
| After management fees waived <sup>(5)</sup>                 | 0.98%  |
| Ratio of net investment income (loss) to average net assets |  |
| Before management fees waived <sup>(5)</sup>                | (0.24)%  |
| After management fees waived <sup>(5)</sup>                 | 0.03%  |
| Portfolio turnover rate <sup>(3)</sup>                      | 328%   |

(1) The Fund commenced operations on November 17, 2020. The information presented is from November 17, 2020 to February 28, 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.

(6) Does not round to 0.1% or (0.1)%, as applicable.

See Notes to the Financial Statements

# ATAC US ROTATION ETF

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## NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED) FEBRUARY 28, 2021

### 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 November 17, 2020.

The investment objective of the Fund is to seek total return.

### 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").

**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.

# ATAC US ROTATION ETF

## NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED) – CONTINUED FEBRUARY 28, 2021

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 as of February 28, 2021:

| Investments in Securities   | Investments<br>Measured at Net<br>Asset Value | Level 1              | Level 2     | Level 3     | Total                |
|---|---|----------------------|-------------|-------------|----------------------|
| Exchange-Traded Funds   | \$ —  | \$ 23,490,935        | \$ —        | \$ —        | \$ 23,490,935        |
| Short-Term Investments  | —   | 7,211                | —           | —           | 7,211                |
| Investments Purchased<br>With Collateral<br>From Securities<br>Lending <sup>(1)</sup> | 4,003,650                                     | —                    | —           | —           | 4,003,650            |
| <b>Total Investments<br/>in Securities</b>  | <b>\$ 4,003,650</b>                           | <b>\$ 23,498,146</b> | <b>\$ —</b> | <b>\$ —</b> | <b>\$ 27,501,796</b> |

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

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

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

# ATAC US ROTATION ETF

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## NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED) – CONTINUED FEBRUARY 28, 2021

As of February 28, 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.

**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.

**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.

**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.

**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.

**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.

**Illiquid Securities** – Pursuant to Rule 22e-4 under the 1940 Act, the Fund has adopted a Board-approved Liquidity Risk Management Program (“LRMP”) 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 LRMP.

# ATAC US ROTATION ETF

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## NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED) – CONTINUED FEBRUARY 28, 2021

### 3. PRINCIPAL INVESTMENT RISKS

**Associated Risks of Short-Term Signals** –Because the Fund expects to change its exposure as frequently as each week based on short-term price performance information, (i) the Fund’s exposure may be affected by significant market movements at or near the end of such short-term period that are not predictive of such asset’s performance for subsequent periods and (ii) changes to the Fund’s exposure may lag a significant change in an asset’s direction (up or down) if such changes first take effect at or near a weekend. Such lags between an asset’s performance and changes to the Fund’s exposure may result in significant underperformance relative to the broader equity or fixed income market.

Additionally, because the Adviser determines the exposure for the Fund based on the price movements of gold and lumber, the Fund is exposed to the risk that such assets or their relative price movements fail to accurately predict future performance. Consequently, the Fund may significantly underperform relative to the broader equity or fixed income market if the ATAC Risk-On/Risk-Off Index (the “RORO Index”) is unsuccessful at predicting future performance for the underlying exchange traded funds (“Underlying ETFs” or “ETF”) in which the Fund invests.

**Derivatives Risk** –The Fund is exposed to Derivatives Risk through its investments in leveraged Underlying ETFs. Such Underlying ETFs may use derivative instruments, including swap agreements and futures contracts, which derive their value from the value of an underlying asset or index. Derivative investments 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; the possible default of the other party to the transaction; and illiquidity of the derivative investments. If a counterparty becomes bankrupt or otherwise fails to perform its obligations under a derivative contract due to financial difficulties, the Underlying ETFs may experience significant delays in obtaining any recovery under the derivative contract in a bankruptcy or other reorganization proceeding. The derivatives used by the Underlying ETFs may give rise to a form of leverage. The use of leverage may exaggerate any increase or decrease in the net asset value, causing the Underlying ETFs to be more volatile. The use of leverage may also increase expenses and increase the impact of the Underlying ETF’s other risks. The use of leverage may cause the Underlying ETFs to liquidate portfolio positions to satisfy its obligations or to meet collateral segregation requirements or regulatory requirements when it may not be advantageous to liquidate such positions, resulting in increased volatility of returns. Certain of the Underlying ETF’s transactions in derivatives could also affect the amount, timing, and character of distributions to shareholders, which may result in the Underlying ETFs 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 Underlying ETF’s after-tax returns.

**Equity Market Risk** –To the extent the Fund invests in Underlying ETFs that invest in equity securities, the Fund is subject to the risk that the equity securities held by such Underlying ETFs 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.

# ATAC US ROTATION ETF

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## NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED) – CONTINUED FEBRUARY 28, 2021

### 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 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.

**Fixed Income Risk** – The Fund invests in Underlying ETFs that principally invest in long-duration U.S. Treasury securities. The value of fixed income securities will fluctuate with changes in interest rates. Typically, a rise in interest rates causes a decline in the value of fixed income securities. On the other hand, if rates fall, the value of the fixed income securities generally increases. Fixed income securities may be subject to a greater risk of rising interest rates due to the current period of historically low rates and the effect of potential government fiscal policy initiatives and resulting market reaction to those initiatives. In general, the market price of fixed income securities with longer maturities will increase or decrease more in response to changes in interest rates than shorter-term securities. The value of fixed income securities may be affected by the inability of issuers to repay principal and interest or illiquidity in debt securities markets.

**Government Obligations Risk** – Some of the Underlying ETFs in which the Fund invests may invest in securities issued by the U.S. government or its agencies or instrumentalities. There can be no guarantee that the United States will be able to meet its payment obligations with respect to such securities.

Additionally, market prices and yields of securities supported by the full faith and credit of the U.S. government or other countries may decline or be negative for short or long periods of time.

# ATAC US ROTATION ETF

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## NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED) – CONTINUED FEBRUARY 28, 2021

**High Portfolio Turnover Risk** – The Fund may actively and frequently trade all or a significant portion of the securities in its portfolio. A high portfolio turnover rate increases transaction costs, which may increase the Fund's expenses. Frequent trading may also cause adverse tax consequences for investors in the Fund due to an increase in short-term capital gains.

**Leveraged ETF Risk** – Leveraged ETFs are subject to the risks presented by traditional ETFs (see "ETF Risks" above). Leveraged ETFs seek to provide investment results that match a multiple of the performance of an underlying index (e.g., three times the performance) for a single day and rely to some degree, often extensively, on derivatives to achieve their objectives. Thus, the Fund is indirectly exposed to derivatives risk through its investments in these leveraged ETFs. Further, investments in leveraged ETFs are subject to the risk that the performance of such ETF will not correlate with the underlying index as intended. Leveraged ETFs often "reset" daily, meaning that they are designed to achieve their stated objectives on a daily basis. Due to the effect of compounding, their performance over longer periods of time can differ significantly from the performance of their underlying index or benchmark during the same period of time. This effect can be magnified in volatile markets. Consequently, these investment vehicles may be extremely volatile and can potentially expose the Fund to complete loss of its investment.

**Market Capitalization Risk** – These risks apply to the extent the Underlying ETFs in which the Fund invests hold securities of large- 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.
- *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.

**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 small 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. This may increase the Fund's volatility and have a greater impact on the Fund's performance.

**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, the market price of the shares of an Underlying ETF in which the Fund invests will fluctuate based on changes in the net asset value as well as changes in the supply and demand of its shares in the secondary market. It is also possible that an active secondary market for an Underlying ETF's shares may not develop, and market trading in the shares of the Underlying ETF may be halted under certain circumstances. Underlying ETFs are also subject to the "ETF Risks" described above.

# ATAC US ROTATION ETF

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## NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED) – CONTINUED FEBRUARY 28, 2021

### 4. COMMITMENTS AND OTHER RELATED PARTY TRANSACTIONS

Toroso Investments, LLC (the “Adviser”) serves as investment adviser to the Fund and has overall responsibility for the general management and administration of the Fund pursuant to an investment advisory agreement between the Adviser and the Trust, on behalf of the Fund (the “Advisory Agreement”).

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 1.25%.

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 (the “Excluded Expenses”), and the Management Fee payable to the Adviser. The Management Fees incurred are paid monthly to the Adviser. The Adviser has contractually agreed to a reduction in the Management Fee to 0.98% through at least December 31, 2021 (the “Fee Waiver Agreement”). To the extent the Fund incurs Excluded Expenses, the Fund’s Total Annual Fund Operating Expenses After Fee Waiver is greater than 0.98%. The Fee Waiver Agreement may be terminated only by, or with the consent of, the Board. Any waived Management Fees are not able to be recouped by the Adviser under the Fee Waiver Agreement. Management Fees for the period ended February 28, 2021 are disclosed in the Statement of Operations.

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

Forside 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 trustees of the Trust are affiliated with the Adviser and Fund Services. None of the affiliated trustees or the Trust’s officers receive compensation from the Fund.

### 5. SECURITIES LENDING

The Fund may lend up to 33 1/3% of the value of the securities in its portfolios 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

# ATAC US ROTATION ETF

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## NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED) – CONTINUED FEBRUARY 28, 2021

amount equal to at least the market value of the securities loaned by the Fund. The Fund receives compensation in the form of fees and earned interest on the cash collateral. Due to timing issues of when a security is recalled from loan, the financial statements may differ in presentation. The amount of fees depends on a number of factors including the type of security and length of the loan. The Fund continues to receive interest payments or dividends on the securities loaned during the borrowing period. Gain or loss in the value of securities loaned that may occur during the term of the loan will be for the account of the Fund. The Fund has the right under the terms of the securities lending agreements to recall the securities from the borrower on demand.

As of February 28, 2021, the Fund had loaned securities and received cash collateral for the loans. The cash collateral is invested in the Mount Vernon Liquid Assets Portfolio, LLC of which the investment objective is to seek to maximize income to the extent consistent with the preservation of capital and liquidity and maintain a stable NAV of \$1.00. Although risk is mitigated by the collateral, the Fund could experience a delay in recovering 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.

During the period ended February 28, 2021, the Fund loaned securities that were collateralized by cash. The cash collateral received was invested in securities as listed in the Fund's Schedule of Investments. Securities lending income is disclosed in the Fund's Statement of Operations.

### 6. PURCHASES AND SALES OF SECURITIES

For the period ended February 28, 2021, the cost of purchases and proceeds from the sales or maturities of securities, excluding short term investments and U.S. government securities were \$42,041,177 and \$498,662, respectively.

There were no purchases or sales of long-term U.S. Government securities for the period ended February 28, 2021.

### 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 February 28, 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 February 28, 2021.

Net capital losses incurred after October 31 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 November 17, 2020, therefore, the Fund had no late year losses, no post-October losses, and no capital loss carryovers.

### 8. SHARE TRANSACTIONS

Shares of the Fund are listed and traded on NYSE Arca, Inc. Market prices for the shares may be different from their NAV. The Fund issues and redeems shares on a continuous basis at NAV generally in blocks of 25,000 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

# ATAC US ROTATION ETF

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## NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED) – CONTINUED FEBRUARY 28, 2021

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 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.

### 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.

### 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. Management has determined that there are no subsequent events that would need to be disclosed in the Fund's financial statements.

# ATAC US ROTATION ETF

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## ADDITIONAL INFORMATION (UNAUDITED)

FEBRUARY 28, 2021

### INFORMATION ABOUT PROXY VOTING

A description of the policies and procedures that the Fund uses to determine how to vote proxies relating to portfolio securities is available upon request without charge, by calling (855) 282-2386 or by accessing the Fund's website at [www.atacfunds.com](http://www.atacfunds.com). Furthermore, you can obtain the description on the SEC's website at [www.sec.gov](http://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 (855) 282-2386 or by accessing the SEC's website at [www.sec.gov](http://www.sec.gov).

### INFORMATION ABOUT THE PORTFOLIO HOLDINGS

The Fund files its complete schedule of portfolio holdings with the SEC for first and third fiscal quarters on Part F of Form N-PORT. The Fund's Part F of Form N-PORT is available without charge, upon request, by calling (855) 282-2386. Furthermore, you can obtain the Part F of Form N-PORT on the SEC's website at [www.sec.gov](http://www.sec.gov). The Fund's portfolio holdings are posted on the Fund's website daily at [www.atacfunds.com](http://www.atacfunds.com).

### FREQUENCY DISTRIBUTION OF PREMIUMS AND DISCOUNTS

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 net asset value ("NAV") is available, without charge, on the Fund's website at [www.atacfunds.com](http://www.atacfunds.com).

### INFORMATION ABOUT THE FUND'S TRUSTEES

The Statement of Additional Information ("SAI") includes additional information about the Fund's Trustees and is available without charge, upon request, by calling (855) 282-2386. Furthermore, you can obtain the SAI on the SEC's website at [www.sec.gov](http://www.sec.gov) or the Fund's website at [www.atacfunds.com](http://www.atacfunds.com).

# ATAC US ROTATION ETF

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## APPROVAL OF INVESTMENT ADVISORY AGREEMENT (UNAUDITED) TOROSO INVESTMENTS, LLC

The Board of Trustees (the "Board" or the "Trustees") of Tidal ETF Trust (the "Trust") met via video conference at a meeting held on September 10, 2020 to consider the initial approval of the Investment Advisory Agreement (the "Advisory Agreement") between the Trust, on behalf of the ATAC US Rotation 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 Michael Gayed, who will serve as co-portfolio managers 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 currently manages the ATAC Rotation Fund, an open-end mutual fund that utilizes a systematic investment strategy comparable to the strategy to be employed by the Fund, but which is based on different signals.

The Board also considered other services to be provided to the Fund, such as monitoring adherence to the Fund's investment strategy and restrictions, 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 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.

## ATAC US ROTATION ETF

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### APPROVAL OF INVESTMENT ADVISORY AGREEMENT (UNAUDITED) – CONTINUED TOROSO INVESTMENTS, LLC

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.
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 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 with varying capitalization, alternative strategies and derivative investment exposures. The Board also noted that the Adviser would contractually agree to an advisory fee waiver that reduces the Fund's unitary fee from 1.25% to 0.98% of the Fund's average daily net assets through at least December 31, 2021.

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.

## ATAC US ROTATION ETF

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### STATEMENT REGARDING THE FUND'S LIQUIDITY RISK MANAGEMENT PROGRAM (UNAUDITED)

FEBRUARY 28, 2021

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 ATAC US Rotation 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 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 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 November 17, 2020 and was not a part of the Report but has adopted the Program upon commencement of operations.

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**TRANSFER AGENT, FUND ACCOUNTANT AND FUND SUB-ADMINISTRATOR**  
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**DISTRIBUTOR**  
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Portland, Maine 04101

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| <b>Fund Information</b> |               |              |  |
|-------------------------|---------------|--------------|--|
| <b>Fund</b>             | <b>Ticker</b> | <b>CUSIP</b> |  |
| ATAC US Rotation ETF    | RORO          | 886364843    |  |