

# Defiance Daily Target 2X Long MSTR ETF

TICKER: MSTX (Listed on The Nasdaq Stock Market, LLC)

This annual shareholder report contains important information about the Defiance Daily Target 2X Long MSTR ETF (the "Fund") for the period May 1, 2024 to April 30, 2025. You can find additional information about the Fund at <https://www.defianceetfs.com/mstx>. You can also request this information by contacting us at (833) 333-9383 or by writing to the Defiance Daily Target 2X Long MSTR ETF, c/o U.S. Bank Global Fund Services, P.O. Box 701, Milwaukee, Wisconsin 53201-0701.

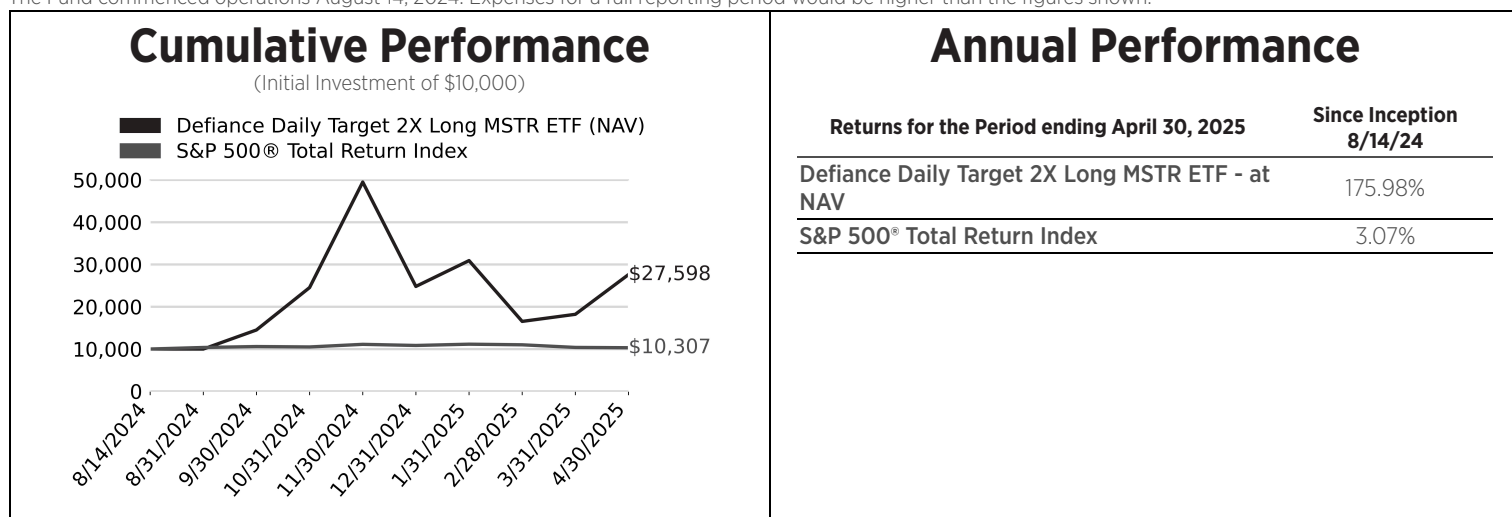
## What were the Fund costs for the past year?

(based on a hypothetical \$10,000 investment)

Fund Name	Costs of a \$10,000 investment	Costs paid as a percentage of a \$10,000 investment
Defiance Daily Target 2X Long MSTR ETF	\$173	1.30%

Costs paid as a percentage of a \$10,000 investment is an annualized figure.

The Fund commenced operations August 14, 2024. Expenses for a full reporting period would be higher than the figures shown.



The Fund's past performance is not a good indicator of how the Fund will perform in the future. The graph and table do not reflect the deduction of taxes that a shareholder would pay on fund distributions or redemption of fund shares.

Visit [www.defianceetfs.com/mstx](https://www.defianceetfs.com/mstx) for more recent performance information.

## How did the Fund perform last year and what affected its performance?

From inception through 4/30/25, MSTX had a NAV total return of 175.98%. These gains are primarily attributed to the strong performance of MSTR, which is closely tied to Bitcoin's price movements.

Initially launched with 1.75x leverage, MSTX increased its leverage to 2x on October 29, 2024, to meet investor demand for higher exposure.

The fund utilizes derivatives, such as swap agreements, to achieve its leverage. Limitations in the availability or pricing of these derivatives can affect the fund's ability to maintain its targeted exposure which resulted in the frequent utilization of options – both standard listed and flex.

MSTX employs daily leverage, aiming for 2x the daily return of MSTR. In volatile markets, this can lead to 'volatility drag,' where the fund's performance diverges negatively from the expected multiple over longer periods.

### What Factors Influenced Performance

The Fund's 2x leverage means that over periods longer than a day, the effects of compounding can lead to returns that deviate significantly from the expected 2x multiple, especially in volatile markets. High volatility in the underlying stock can exacerbate the compounding effects, leading to greater divergence from the expected performance over time.

MicroStrategy's stock demonstrated significant volatility, largely driven by its Bitcoin investment strategy and the broader cryptocurrency market dynamics. The company's aggressive accumulation of Bitcoin, strategic capital raising, and market sentiment have all played pivotal roles in shaping its stock performance during this period.

MicroStrategy's significant Bitcoin holdings made its stock highly sensitive to cryptocurrency market trends. The stock's rise to its November peak coincided with Bitcoin's rally, while subsequent declines mirrored Bitcoin's volatility. MicroStrategy's statements from its executives reaffirming their commitment to a Bitcoin-centric strategy impacted investor confidence and stock valuation.

## Key Fund Statistics

(as of April 30, 2025)

Fund Size (Thousands)	\$1,666,424
Number of Holdings	9
Total Advisory Fee	\$9,081,075
Portfolio Turnover	4,006%

## What did the Fund invest in?

(as of April 30, 2025)

### Security Type (% of net assets)

Cash & Cash Equivalents	86.6%
Purchased Call Options	11.1%
Common Stocks	2.3%

### Security Type - Other Financial Instruments

(% of net assets)

Total Return Swap Contracts	27.1%
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Percentages are based on total net assets. Percentages for swap contracts are based on unrealized appreciation (depreciation). Monthly reset swap values are not presented, as the unrealized appreciation (depreciation) resets at each month-end. Cash & Cash Equivalents represents short-term investments and other assets in excess of liabilities.

### Top Holdings

### % of Total Net Assets

MicroStrategy, Inc. Swap; Maturity Date: 10/22/2025	23.5%
First American Government Obligations Fund - Class X, 4.25%	8.5%
MicroStrategy Inc. Option, Expiration: 05/02/2025; Exercise Price: \$300.01	8.0%
Dreyfus Government Cash Management - Class Institutional, 4.21%	7.0%
MicroStrategy, Inc. Swap; Maturity Date: 03/06/2026	3.6%
MicroStrategy, Inc. Option, Expiration: 05/05/2025; Exercise Price: \$300.01	3.1%
MicroStrategy, Inc. - Class A	2.3%
MicroStrategy, Inc. Swap; Maturity Date: 05/29/2026	0.0%*
MicroStrategy, Inc. Swap; Maturity Date: 09/15/2025	0.0%*

\* Percentages for swap contracts are based on unrealized appreciation (depreciation). Monthly reset swap values are not presented, as the unrealized appreciation (depreciation) resets at each month-end.

### Householding

Householding is an option available to certain investors of the Fund. Householding is a method of delivery, based on the preference of the individual investor, in which a single copy of certain shareholder documents can be delivered to investors who share the same address, even if their accounts are registered under different names. Householding for the Fund is available through certain broker-dealers. If you are interested in enrolling in householding and receiving a single copy of prospectuses and other shareholder documents, please contact your broker-dealer. If you are currently enrolled in householding and wish to change your householding status, please contact your broker-dealer.

**For additional information about the Fund, including its prospectus, financial information, holdings and proxy voting information, visit <https://www.defianceetfs.com/mstx>.**