

# Defiance Nasdaq 100 Income Target ETF

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

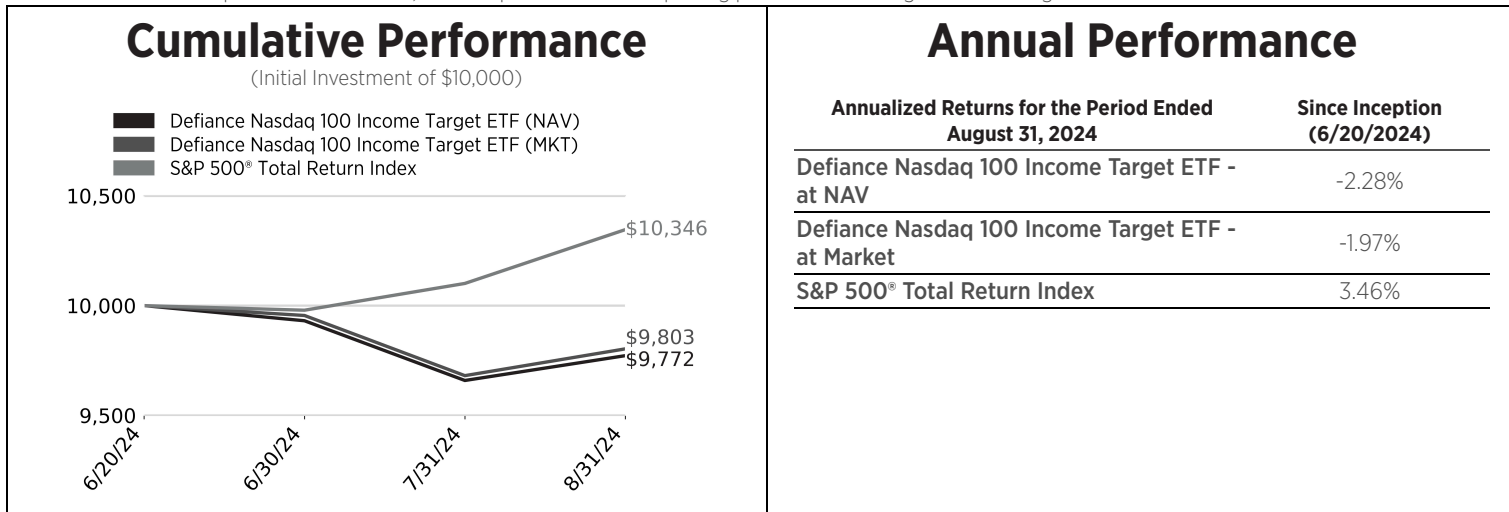
This annual shareholder report contains important information about the Defiance Nasdaq 100 Income Target ETF (the "Fund") for the period September 1, 2023 to August 31, 2024. You can find additional information about the Fund at [www.defianceetfs.com/qqqt](http://www.defianceetfs.com/qqqt). You can also request this information by contacting us at 833-333-9383 or by writing to the Defiance Nasdaq 100 Income Target 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 Nasdaq 100 Income Target ETF	\$17	0.88%

The Fund commenced operations on June 20, 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/qqqt](http://www.defianceetfs.com/qqqt) for more recent performance information.

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

During the reporting period, the Fund generated slightly negative total returns. Since the underlying Nasdaq 100 Index ("NDX") also was down over the reporting period since inception, that was to be expected due to the exposure to the index.

At the same time, the Fund paid out monthly dividends commensurate with the stated target of 20% per year in distributions.

It's worth noting the Fund had only been live for a few months at the end of the period.

Since the Fund sells daily, near the money NDX call spreads, the Fund can potentially generate returns by delivering both extrinsic time premiums and upside capture of the daily moves of the underlying index.

Unlike traditional covered calls which hard cap the upside, selling call spreads results in a soft cap where once the underlying index passes above the long leg in the spread, investors can rejoin upward participation in markets.

### What Factors Influenced Performance

The implied volatility of the underlying index plays a large role in the amount of extrinsic premiums that can be paid by the Fund. During the reporting period, the CBOE NDX Volatility Index was steadily rising, culminating in an August spike, while overall markets saw increased volatility.

As a rule, the higher the implied volatility, the higher the option premiums available for sale and distribution. This higher volatility provided ample opportunities for the Fund to meet its goal of targeted monthly income for investors.

This Fund launched in July, which was right at the start of a significant downward move in the underlying index. Although the volatility increased premiums to aid in achieving the target yield, the Fund also has long exposure to the underlying index. Since the Fund has downside risk, like any index, taking in premiums helps offset negative daily moves where an investor in the Fund would expect to lose less on that day compared with simply holding an instrument that had index exposure.

### Positioning of the Fund

The Fund aims to generate high targeted current income for investors looking for alternative yield options in the marketplace with the ability to sell daily option spreads.

With higher-than-average volatility expected around the 2024 US Election cycle, geopolitical uncertainty, and a Fed pivot, we believe the Fund is positioned to continue to capture premiums for investors and while having the ability to participate in market upside beyond the soft cap.

On days the NDX is lower, we'd expect the Fund to lose less than the index due to the premiums received from selling the call spreads.

## Key Fund Statistics

(as of August 31, 2024)

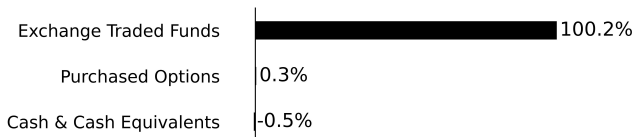
Fund Size (Thousands)	\$12,495
Number of Holdings	4
Total Advisory Fee Paid	\$13,708
Portfolio Turnover	10%*

\*Not annualized for periods less than one year.

## What did the Fund invest in?

(as of August 31, 2024)

### Security Type (% of net assets)



### Security Type - Other Financial Instruments

(% of net assets)



Percentages are based on total net assets. Cash & Cash Equivalents represents short-term investments and liabilities in excess of other assets.

### Top Holdings (% of net assets)

Invesco QQQ Trust Series 1	100.2
NASDAQ 100 Index, Counterparty: American Stock Exchange, Expiration: 09/03/2024; Exercise Price: \$19,580.00	0.3
NASDAQ 100 Index, Counterparty: American Stock Exchange; Expiration: 09/03/2024; Exercise Price: \$19,540.00	-0.4

### How has the Fund changed?

There were no material changes during the reporting period.

### Changes in and Disagreements with Accountants

There were no changes in or disagreements with accountants.

### 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 [www.defianceetfs.com/qqqt](http://www.defianceetfs.com/qqqt).**