

# Defiance Oil Enhanced Options Income ETF

TICKER: USOY (Listed on NYSE Arca, Inc.)

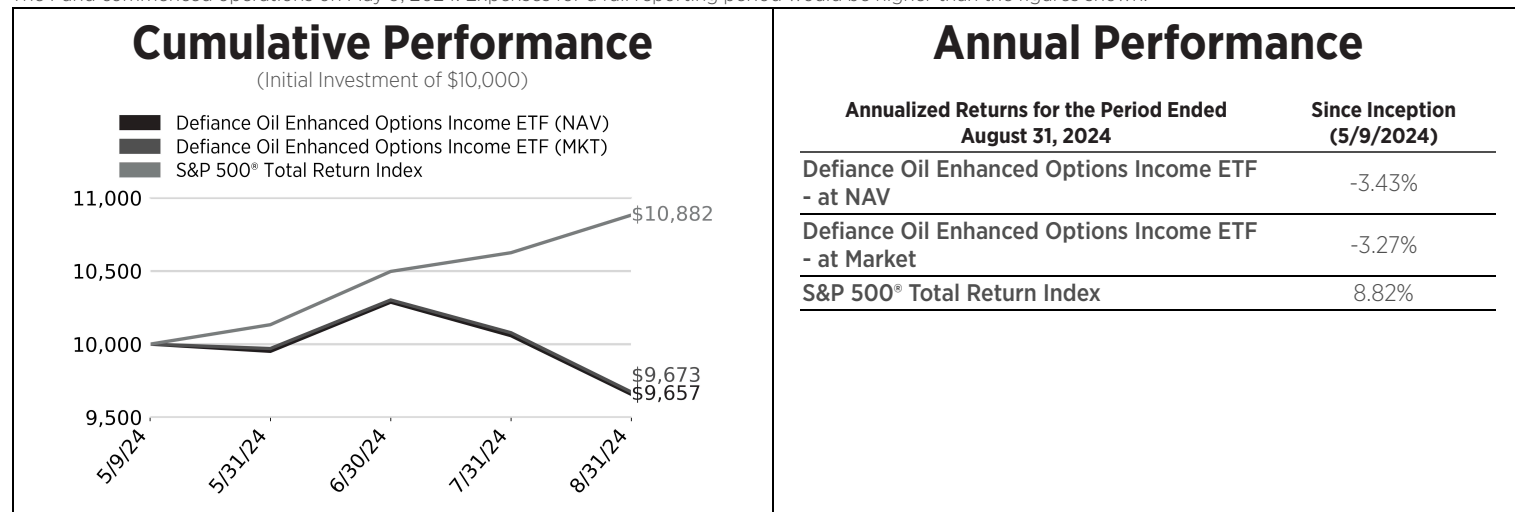
This annual shareholder report contains important information about the Defiance Oil Enhanced Options Income ETF (the "Fund") for the period September 1, 2023 to August 31, 2024. You can find additional information about the Fund at [www.defianceetfs.com/usoy](http://www.defianceetfs.com/usoy). You can also request this information by contacting us at 833-333-9383 or by writing to the Defiance Oil Enhanced Options Income 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 Oil Enhanced Options Income ETF	\$38	1.22%

The Fund commenced operations on May 9, 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/usoy](http://www.defianceetfs.com/usoy) 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 positive total returns. Since the reference underlying United States Oil Fund LP ("USO") was only slightly positive on a total return basis, the Fund's performance was as expected.

At the same time, the Fund paid out high monthly dividends due to taking in weekly option premiums.

It's worth noting the Fund had only been live for under 5 months at the end of the period.

Since the Fund sells weekly, at or in-the-money USO puts, the Fund can potentially generate returns by delivering both extrinsic time premiums and upside capture of the weekly moves of the underlying asset.

### What Factors Influenced Performance

The implied volatility of the underlying asset plays a large role in the amount of extrinsic premiums that can be paid by the Fund. During the reporting period, the implied volatility on USO was generally muted, with a rise in overall volatility in the late summer months.

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.

Since the Fund has downside risk, like any asset, taking in premiums helps offset negative weekly moves where an investor in the Fund would expect to lose less in that week 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 weekly put options.

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 capture premiums for investors while having the ability to participate in market upside to its weekly cap.

In weeks the USO is lower, we'd expect the Fund to lose less than USO due to the premiums received from selling puts.

## Key Fund Statistics

(as of August 31, 2024)

Fund Size (Thousands)	\$12,536
Number of Holdings	6
Total Advisory Fee Paid	\$21,055
Portfolio Turnover	272%*

\*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)

U.S. Treasury Note/Bond - 2.63%, 04/15/2025	26.3
U.S. Treasury Note/Bond - 3.88%, 01/15/2026	23.6
U.S. Treasury Note/Bond - 3.00%, 07/15/2025	23.6
U.S. Treasury Note/Bond - 0.75%, 11/15/2024	23.2
United States Oil Fund LP, Expiration: 09/04/2024; Exercise Price: \$75.00	-1.7

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