



**Carbon Collective Climate Solutions U.S. Equity ETF**  
Ticker: CCSO

**Semi-Annual Report**  
**January 31, 2023**

# Carbon Collective Climate Solutions U.S. Equity ETF

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*This report is not authorized for distribution to prospective investors in the Fund unless preceded or accompanied by an effective prospectus.*

## Carbon Collective Climate Solutions U.S. Equity ETF

### PORTFOLIO ALLOCATION at January 31, 2023 (Unaudited)

Sector	% of Net Assets
Industrial	35.9%
Consumer, Cyclical	19.3
Utilities	15.0
Energy	12.3
Basic Materials	10.0
Technology	3.7
Consumer, Non-cyclical	2.9
Cash & Cash Equivalents <sup>(1)</sup>	0.5
Financial	0.3
Communications	0.1
Total	100.0%

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

# Carbon Collective Climate Solutions U.S. Equity ETF

## SCHEDULE OF INVESTMENTS at January 31, 2023 (Unaudited)

	Shares	Value
<b>Common Stocks – 99.5%</b>		
<b>Aerospace &amp; Defense – 0.3%</b>		
Archer Aviation, Inc. - Class A <sup>(1)</sup>	4,256	\$ 12,342
Joby Aviation, Inc. <sup>(1)</sup>	10,909	48,218
		<u>60,560</u>
<b>Auto Manufacturers – 15.2%</b>		
Arcimoto, Inc. <sup>(1)</sup>	42	91
Arrival SA <sup>(1)</sup>	9,998	3,998
AYRO, Inc. <sup>(1)</sup>	658	488
Canoo, Inc. <sup>(1)</sup>	5,061	6,073
Cenntro Electric Group Ltd. <sup>(1)</sup>	4,600	3,508
Fisker, Inc. - Class A <sup>(1)</sup>	5,533	41,221
GreenPower Motor Co., Inc. <sup>(1)</sup>	541	1,986
Hyllion Holdings Corp. <sup>(1)</sup>	2,988	10,697
Hyzon Motors, Inc. <sup>(1)</sup>	4,370	9,308
Kandi Technologies Group, Inc. <sup>(1)</sup>	1,270	3,416
Li Auto, Inc. - ADR - Class A <sup>(1)</sup>	19,132	476,387
Lightning eMotors, Inc. <sup>(1)</sup>	1,199	1,042
The Lion Electric Co. <sup>(1)</sup>	3,316	8,688
Lucid Group, Inc. <sup>(1)</sup>	30,154	352,500
Mullen Automotive, Inc. <sup>(1)</sup>	9,456	3,252
Nikola Corp. <sup>(1)</sup>	8,424	22,829
NIO, Inc. - ADR <sup>(1)</sup>	30,504	368,183
Proterra, Inc. <sup>(1)</sup>	4,023	20,517
Rivian Automotive, Inc. - Class A <sup>(1)</sup>	16,331	316,821
Sono Group NV <sup>(1)</sup>	1,552	1,552
Spruce Power Holding Corp. <sup>(1)</sup>	2,635	3,926
Tesla, Inc. <sup>(1)</sup>	4,612	798,891
Xos, Inc. <sup>(1)</sup>	3,031	2,870
XPeng, Inc. - ADR <sup>(1)</sup>	15,775	167,846
		<u>2,626,090</u>
<b>Auto Parts &amp; Equipment – 0.6%</b>		
Ads-Tec Energy PLC <sup>(1)</sup>	865	2,595
CBAK Energy Technology, Inc. <sup>(1)</sup>	1,668	1,935
Microvast Holdings, Inc. <sup>(1)</sup>	5,588	9,108
QuantumScape Corp. - Class A <sup>(1)</sup>	7,714	65,646
SES AI Corp. - Class A <sup>(1)</sup>	5,992	19,774
Solid Power, Inc. <sup>(1)</sup>	3,072	10,291
		<u>109,349</u>
<b>Beverages – 0.1%</b>		
Oatly Group AB - ADR <sup>(1)</sup>	10,183	24,847
<b>Biotechnology – 0.1%</b>		
GreenLight Biosciences Holdings PBC <sup>(1)</sup>	2,647	2,885
JanOne, Inc. <sup>(1)</sup>	54	85
Veru, Inc. <sup>(1)</sup>	1,408	8,110
Yield10 Bioscience, Inc. <sup>(1)</sup>	86	334
		<u>11,414</u>

	Shares	Value
<b>Common Stocks – 99.5% (Continued)</b>		
<b>Building Materials – 10.5%</b>		
AAON, Inc.	930	\$ 70,978
Apogee Enterprises, Inc.	384	17,987
Carrier Global Corp.	14,678	668,289
Crown ElectroKinetics Corp. <sup>(1)</sup>	361	94
Energy Focus, Inc. <sup>(1)</sup>	175	138
Johnson Controls International PLC	12,075	840,058
Lennox International, Inc.	621	161,845
LSI Industries, Inc.	487	6,687
PGT Innovations, Inc. <sup>(1)</sup>	1,049	22,763
Research Frontiers, Inc. <sup>(1)</sup>	586	1,242
Reto Eco-solutions, Inc. <sup>(1)</sup>	808	381
Tecnoglass, Inc.	816	27,940
View, Inc. - Class A <sup>(1)</sup>	3,840	3,149
		<u>1,821,551</u>
<b>Chemicals – 1.0%</b>		
AgroFresh Solutions, Inc. <sup>(1)</sup>	903	2,709
Danimer Scientific, Inc. <sup>(1)</sup>	1,801	4,106
Daqo New Energy Corp. - ADR <sup>(1)</sup>	1,339	60,938
Livent Corp. <sup>(1)</sup>	3,427	88,828
Origin Materials, Inc. <sup>(1)</sup>	2,503	15,143
Save Foods, Inc. <sup>(1)</sup>	79	100
		<u>171,824</u>
<b>Commercial Services – 2.2%</b>		
Bird Global, Inc. - Class A <sup>(1)</sup>	4,964	1,165
Helbiz, Inc. - Class A <sup>(1)</sup>	1,320	304
Quanta Services, Inc.	2,480	377,431
Willdan Group, Inc. <sup>(1)</sup>	234	4,455
		<u>383,355</u>
<b>Distribution &amp; Wholesale – 2.2%</b>		
Hudson Technologies, Inc. <sup>(1)</sup>	775	7,913
IAA, Inc. <sup>(1)</sup>	2,367	98,775
Ideanomics, Inc. <sup>(1)</sup>	10,039	2,089
LKQ Corp.	4,726	278,645
		<u>387,422</u>
<b>Electric – 15.0%</b>		
Altus Power, Inc. - Class A <sup>(1)</sup>	2,813	22,560
Ameresco, Inc. - Class A <sup>(1)</sup>	903	58,217
Atlantica Sustainable Infrastructure PLC	1,960	53,743
Avangrid, Inc.	6,780	285,913
Brookfield Renewable Corp. - Class A	3,001	94,592
Cia Energetica de Minas Gerais - ADR	245,721	550,415
Clearway Energy, Inc. - Class A	3,719	119,194
Consolidated Edison, Inc.	6,211	591,970
FTC Solar, Inc. <sup>(1)</sup>	1,912	5,258

# Carbon Collective Climate Solutions U.S. Equity ETF

## SCHEDULE OF INVESTMENTS at January 31, 2023 (Unaudited) (Continued)

	Shares	Value
<b>Common Stocks – 99.5% (Continued)</b>		
<b>Electric – 15.0% (Continued)</b>		
Ormat Technologies, Inc.	966	\$ 89,403
PG&E Corp. <sup>(1)</sup>	43,491	691,507
ReNew Energy Global PLC - Class A <sup>(1)</sup>	4,972	29,832
		<u>2,592,604</u>
<b>Electrical Components &amp; Equipment – 6.6%</b>		
ABB Ltd. - ADR	26,984	940,392
Acuity Brands, Inc.	561	105,760
Blink Charging Co. <sup>(1)</sup>	889	12,099
ChargePoint Holdings, Inc. - Class A <sup>(1)</sup>	5,971	72,488
ESS Tech, Inc. - Class A <sup>(1)</sup>	2,645	5,846
Nuvve Holding Corp. <sup>(1)</sup>	435	596
Orion Energy Systems, Inc. <sup>(1)</sup>	565	938
		<u>1,138,119</u>
<b>Electronics – 0.6%</b>		
Badger Meter, Inc.	515	59,688
Itron, Inc. <sup>(1)</sup>	786	45,171
KULR Technology Group, Inc. <sup>(1)</sup>	1,963	2,513
SemiLEDs Corp. <sup>(1)</sup>	84	174
		<u>107,546</u>
<b>Energy – Alternate Sources – 12.3%</b>		
Advent Technologies Holdings, Inc. <sup>(1)</sup>	868	1,649
Array Technologies, Inc. <sup>(1)</sup>	2,616	58,154
Azure Power Global Ltd. <sup>(1)</sup>	1,054	4,279
Ballard Power Systems, Inc. <sup>(1)</sup>	5,234	34,178
Beam Global <sup>(1)</sup>	170	2,960
Broadwind, Inc. <sup>(1)</sup>	362	1,955
Canadian Solar, Inc. <sup>(1)</sup>	1,132	47,623
Eco Wave Power Global AB - ADR <sup>(1)</sup>	91	331
Energy Vault Holdings, Inc. <sup>(1)</sup>	2,422	10,269
Enphase Energy, Inc. <sup>(1)</sup>	2,369	524,449
Eos Energy Enterprises, Inc. <sup>(1)</sup>	1,315	1,933
First Solar, Inc. <sup>(1)</sup>	1,873	332,645
Fluence Energy, Inc. - Class A <sup>(1)</sup>	2,881	69,547
Flux Power Holdings, Inc. <sup>(1)</sup>	280	1,523
FREYR Battery SA <sup>(1)</sup>	1,959	17,259
Fusion Fuel Green PLC - Class A <sup>(1)</sup>	185	744
FutureFuel Corp.	751	6,962
Heliogen, Inc. <sup>(1)</sup>	3,424	2,183
iSun, Inc. <sup>(1)</sup>	264	536
JinkoSolar Holding Co. Ltd. - ADR <sup>(1)</sup>	896	50,516
Maxeon Solar Technologies Ltd. <sup>(1)</sup>	793	17,414
Montauk Renewables, Inc. <sup>(1)</sup>	2,473	27,475
NextEra Energy Partners L.P.	1,508	110,536

	Shares	Value
<b>Common Stocks – 99.5% (Continued)</b>		
<b>Energy – Alternate Sources – 12.3% (Continued)</b>		
Pineapple Energy, Inc. <sup>(1)</sup>	165	\$ 365
Plug Power, Inc. <sup>(1)</sup>	10,127	172,362
ReneSola Ltd. - ADR <sup>(1)</sup>	1,216	6,153
Shoals Technologies Group, Inc. <sup>(1)</sup>	2,900	80,881
SolarEdge Technologies, Inc. <sup>(1)</sup>	988	315,300
SPI Energy Co. Ltd. <sup>(1)</sup>	508	843
Stem, Inc. <sup>(1)</sup>	2,695	26,573
Sunnova Energy International, Inc. <sup>(1)</sup>	1,966	38,298
SunPower Corp. <sup>(1)</sup>	3,054	53,231
Sunrun, Inc. <sup>(1)</sup>	3,754	98,655
Sunworks, Inc. <sup>(1)</sup>	620	1,414
TPI Composites, Inc. <sup>(1)</sup>	733	9,566
VivoPower International PLC <sup>(1)</sup>	400	373
		<u>2,129,134</u>
<b>Engineering &amp; Construction – 1.1%</b>		
Comfort Systems USA, Inc.	626	75,771
Orbital Infrastructure Group, Inc. <sup>(1)</sup>	2,490	483
TopBuild Corp. <sup>(1)</sup>	557	111,433
		<u>187,687</u>
<b>Environmental Control – 10.0%</b>		
Aqua Metals, Inc. <sup>(1)</sup>	1,379	1,696
Centrus Energy Corp. - Class A <sup>(1)</sup>	255	10,468
Denison Mines Corp. <sup>(1)</sup>	19,197	27,644
GFL Environmental, Inc.	7,755	239,319
Harsco Corp. <sup>(1)</sup>	1,388	11,021
Li-Cycle Holdings Corp. <sup>(1)</sup>	2,984	16,233
Lightbridge Corp. <sup>(1)</sup>	201	856
Perma-Fix Environmental Services, Inc. <sup>(1)</sup>	230	955
PureCycle Technologies, Inc. <sup>(1)</sup>	2,898	24,285
PyroGenesis Canada, Inc. <sup>(1)</sup>	3,986	4,305
Quest Resource Holding Corp. <sup>(1)</sup>	347	2,394
Waste Connections, Inc.	4,488	596,455
Waste Management, Inc.	5,175	800,728
		<u>1,736,359</u>
<b>Food – 0.4%</b>		
Beyond Meat, Inc. <sup>(1)</sup>	1,133	18,615
The Hain Celestial Group, Inc. <sup>(1)</sup>	1,561	32,032
Laird Superfood, Inc. <sup>(1)</sup>	164	197
Steakholder Foods Ltd. - ADR <sup>(1)</sup>	236	241
SunOpta, Inc. <sup>(1)</sup>	1,826	14,918
		<u>66,003</u>
<b>Home Builders – 0.3%</b>		
Installed Building Products, Inc.	480	52,843
<b>Household Products &amp; Wares – 0.1%</b>		
Quanex Building Products Corp.	579	14,990

The accompanying notes are an integral part of these financial statements.

# Carbon Collective Climate Solutions U.S. Equity ETF

## SCHEDULE OF INVESTMENTS at January 31, 2023 (Unaudited) (Continued)

	Shares	Value
<b>Common Stocks – 99.5% (Continued)</b>		
<b>Internet – 0.0%<sup>(3)</sup></b>		
Swvl Holdings Corp. <sup>(1)</sup>	99	\$ 312
<b>Iron &amp; Steel – 7.3%</b>		
Commercial Metals Co.	2,052	111,362
Nucor Corp.	4,528	765,323
Schnitzer Steel Industries, Inc. - Class A	469	15,871
Steel Dynamics, Inc.	3,089	372,657
		<u>1,265,213</u>
<b>Leisure Time – 0.2%</b>		
Ezgo Technologies Ltd. <sup>(1)</sup>	403	487
Gogoro, Inc. <sup>(1)</sup>	4,189	19,688
Niu Technologies - ADR - Class A <sup>(1)</sup>	1,384	7,460
Volcon, Inc. <sup>(1)</sup>	416	745
		<u>28,380</u>
<b>Machinery – Construction &amp; Mining – 0.3%</b>		
NuScale Power Corp. - Class A <sup>(1)</sup>	3,955	42,160
Wallbox NV <sup>(1)</sup>	2,680	14,981
		<u>57,141</u>
<b>Machinery – Diversified – 0.9%</b>		
CSW Industrials, Inc.	271	36,642
GrafTech International Ltd.	4,632	30,293
Watts Water Technologies, Inc. - Class A	582	95,169
		<u>162,104</u>
<b>Metal Fabricate &amp; Hardware – 0.7%</b>		
Valmont Industries, Inc.	372	122,660
<b>Mining – 1.8%</b>		
Cameco Corp.	7,571	212,064
NexGen Energy Ltd. <sup>(1)</sup>	11,142	53,927
TMC the metals Co., Inc. <sup>(1)</sup>	4,685	4,094
Uranium Energy Corp. <sup>(1)</sup>	6,499	26,191
Ur-Energy, Inc. <sup>(1)</sup>	5,316	6,964
Westwater Resources, Inc. <sup>(1)</sup>	846	914
		<u>304,154</u>
<b>Miscellaneous Manufacturers – 4.8%</b>		
Eaton Corp PLC	5,098	826,947
Loop Industries, Inc. <sup>(1)</sup>	846	2,115
		<u>829,062</u>
<b>Pharmaceuticals – 0.0%<sup>(3)</sup></b>		
Agile Therapeutics, Inc. <sup>(1)</sup>	762	206
<b>Real Estate Investment Trusts – 0.3%</b>		
Hannon Armstrong Sustainable Infrastructure Capital, Inc.	1,561	57,616

	Shares	Value
<b>Common Stocks – 99.5% (Continued)</b>		
<b>Retail – 0.8%</b>		
Allego NV <sup>(1)</sup>	4,691	\$ 20,406
ATRenew, Inc. - ADR - Class A <sup>(1)</sup>	4,049	11,297
Beacon Roofing Supply, Inc. <sup>(1)</sup>	1,139	64,786
EVgo, Inc. - Class A <sup>(1)</sup>	4,691	32,321
Jiuzi Holdings, Inc. <sup>(1)</sup>	348	63
Volta, Inc. <sup>(1)</sup>	2,955	2,536
		<u>131,409</u>
<b>Software – 3.7%</b>		
8x8, Inc. <sup>(1)</sup>	1,956	9,213
DocuSign, Inc. <sup>(1)</sup>	3,605	218,607
Faraday Future Intelligent Electric, Inc. - Class A <sup>(1)</sup>	6,504	5,528
Freight Technologies, Inc. <sup>(1)</sup>	166	65
Kaltura, Inc. <sup>(1)</sup>	2,516	5,485
Zoom Video Communications, Inc. - Class A <sup>(1)</sup>	5,265	394,875
		<u>633,773</u>
<b>Telecommunications – 0.1%</b>		
AudioCodes Ltd.	557	10,678
ClearOne, Inc. <sup>(1)</sup>	417	730
Oblong, Inc. <sup>(1)</sup>	34	108
Preformed Line Products Co.	85	7,508
		<u>19,024</u>
<b>Total Common Stocks</b>		
(Cost \$16,608,287)		<u>17,232,751</u>
<b>Short-Term Investments – 0.4%</b>		
<b>Money Market Funds – 0.4%</b>		
First American Government Obligations Fund, Class X, 4.140% <sup>(2)</sup>	74,766	74,766
<b>Total Short-Term Investments</b>		
(Cost \$74,766)		<u>74,766</u>
<b>Total Investments in Securities – 99.9%</b>		
(Cost \$16,683,053)		17,307,517
<b>Other Assets in Excess of Liabilities – 0.1%</b>		
		<u>19,057</u>
<b>Total Net Assets – 100.0%</b>		
		<u>\$ 17,326,574</u>

ADR American Depositary Receipt

<sup>(1)</sup> Non-income producing security.

<sup>(2)</sup> The rate shown is the annualized seven-day effective yield as of January 31, 2023.

<sup>(3)</sup> Does not round to 0.1% or (0.1)%, as applicable.

# Carbon Collective Climate Solutions U.S. Equity ETF

## STATEMENT OF ASSETS AND LIABILITIES at January 31, 2023 (Unaudited)

<b>Assets:</b>	
Investments in securities, at value (Note 2) . . . . .	\$ 17,307,517
Cash . . . . .	129
Receivables:	
Dividends and interest . . . . .	23,734
Total assets . . . . .	<u>17,331,380</u>
<b>Liabilities:</b>	
Payables:	
Management fees (Note 4) . . . . .	4,806
Total liabilities . . . . .	<u>4,806</u>
<b>Net Assets</b> . . . . .	<u><u>\$ 17,326,574</u></u>
<b>Components of Net Assets:</b>	
Paid-in capital . . . . .	\$ 16,632,060
Total distributable (accumulated) earnings (losses) . . . . .	694,514
Net assets . . . . .	<u><u>\$ 17,326,574</u></u>
<b>Net Asset Value (unlimited shares authorized):</b>	
Net assets . . . . .	\$ 17,326,574
Shares of beneficial interest issued and outstanding . . . . .	900,000
Net asset value . . . . .	<u><u>\$ 19.25</u></u>
Cost of investments . . . . .	<u><u>\$ 16,683,053</u></u>

# Carbon Collective Climate Solutions U.S. Equity ETF

## STATEMENT OF OPERATIONS For the Period Ended January 31, 2023 (Unaudited)<sup>(1)</sup>

### Investment Income:

Dividend income (net of foreign withholding tax of \$3,901) . . . . .	\$ 57,316
Interest income . . . . .	662
Total investment income . . . . .	<u>57,978</u>

### Expenses:

Management fees (Note 4) . . . . .	15,281
Total expenses . . . . .	<u>15,281</u>
Net investment income (loss) . . . . .	<u>42,697</u>

### Realized and Unrealized Gain (Loss)

Net realized gain (loss) on:	
Investments . . . . .	63,766
Foreign currency translation . . . . .	1
Change in net unrealized appreciation/depreciation on:	
Investments . . . . .	624,464
Net realized and unrealized gain (loss) on investments . . . . .	<u>688,231</u>
Net increase (decrease) in net assets resulting from operations . . . . .	<u>\$ 730,928</u>

<sup>(1)</sup> The Fund commenced operations on September 19, 2022. The information presented is from September 19, 2022 to January 31, 2023.



# Carbon Collective Climate Solutions U.S. Equity ETF

## STATEMENT OF CHANGES IN NET ASSETS (Unaudited)

Period Ended  
January 31, 2023<sup>(1)</sup>  
(Unaudited)

### Increase (Decrease) in Net Assets From:

#### Operations:

Net investment income (loss) . . . . .	\$	42,697
Net realized gain (loss) . . . . .		63,767
Change in net unrealized appreciation/depreciation . . . . .		624,464
<b>Net increase (decrease) in net assets resulting from operations . . . . .</b>		<b>730,928</b>

#### Distributions to Shareholders:

Net distributions to shareholders . . . . .		(36,414)
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#### Capital Share Transactions:

Net increase (decrease) in net assets derived from net change in outstanding shares <sup>(2)</sup> . . . . .		16,632,060
<b>Total increase (decrease) in net assets . . . . .</b>		<b>17,326,574</b>

#### Net Assets:

Beginning of period . . . . .		—
<b>End of period . . . . .</b>	\$	<b>17,326,574</b>

<sup>(1)</sup> The Fund commenced operations on September 19, 2022. The information presented is from September 19, 2022 to January 31, 2023.

<sup>(2)</sup> Summary of share transactions is as follows:

Period Ended  
January 31, 2023<sup>(1)</sup>  
(Unaudited)

	Shares	Value
Shares sold . . . . .	900,000	\$ 16,632,060
Shares redeemed . . . . .	—	—
<b>Net increase (decrease) . . . . .</b>	<b>900,000</b>	<b>\$ 16,632,060</b>

# Carbon Collective Climate Solutions U.S. Equity ETF

## FINANCIAL HIGHLIGHTS For a capital share outstanding throughout the period

	Period Ended January 31, 2023 (Unaudited) <sup>(1)</sup>
Net asset value, beginning of period	\$ 20.00
<b>Income from Investment Operations:</b>	
Net investment income (loss) <sup>(2)</sup>	0.07
Net realized and unrealized gain (loss)	(0.78)
Total from investment operations	(0.71)
<b>Less Distributions:</b>	
From net investment income	(0.04)
Total distributions	(0.04)
Net asset value, end of period	\$ 19.25
Total return <sup>(3)(4)</sup>	(3.51)%
<b>Ratios / Supplemental Data:</b>	
Net assets, end of period (millions)	\$ 17.3
Portfolio turnover rate <sup>(3)(5)</sup>	22%
Ratio of expenses to average net assets <sup>(6)</sup>	0.35%
Ratio of net investment income (loss) to average net assets <sup>(6)</sup>	0.98%

<sup>(1)</sup> The Fund commenced operations on September 19, 2022. The information presented is from September 19, 2022 to January 31, 2023.

<sup>(2)</sup> Calculated using average shares outstanding method.

<sup>(3)</sup> Not annualized.

<sup>(4)</sup> The total return is based on the Fund's net asset value.

<sup>(5)</sup> Excludes the impact of in-kind transactions.

<sup>(6)</sup> Annualized.

# Carbon Collective Climate Solutions U.S. Equity ETF

## NOTES TO FINANCIAL STATEMENTS January 31, 2023 (Unaudited)

### NOTE 1 – ORGANIZATION

The Carbon Collective Climate Solutions U.S. Equity ETF (the “Fund”) is a diversified series of the Tidal Trust II (the “Trust”). The Trust was organized as a Delaware statutory trust on January 13, 2022. The Trust is registered with the Securities and Exchange Commission (“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 (“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” including FASB Accounting Standard Update (“ASU”) 2013-08. The Fund commenced operations on September 19, 2022.

The investment objective of the Fund is to seek to achieve long-term 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 that are listed on a securities exchange, market or automated quotation system for which quotations are readily available (except for securities traded on the New York Stock Exchange (“NYSE”)), 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 NYSE, the NYSE 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, under Rule 2a-5 of the 1940 Act, a fair value will be determined by the Valuation Designee (as defined in Rule 2a-5) in accordance with the Pricing and Valuation Policy and Fair Value Procedures, as applicable, of the Fund’s investment adviser, Toroso Investments, LLC (the “Adviser”), a Tidal Financial Group company, subject to oversight 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 Adviser’s Pricing and Valuation Policy and Fair Value Procedures, as applicable. 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 funds 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.

# Carbon Collective Climate Solutions U.S. Equity ETF

## NOTES TO FINANCIAL STATEMENTS January 31, 2023 (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 January 31, 2023:

Investments in Securities	Level 1	Level 2	Level 3	Total
Common Stocks <sup>(1)</sup>	\$ 17,232,751	\$ —	\$ —	\$ 17,232,751
Short-Term Investments	74,766	—	—	74,766
Total Investments in Securities	<u>\$ 17,307,517</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 17,307,517</u>

<sup>(1)</sup> See Schedule of Investments for the industry breakout.

- 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 October 31) plus undistributed amounts, if any, from prior years.

As of January 31, 2023, 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. The Fund recognizes interest and penalties, if any, related to unrecognized tax benefits on uncertain tax positions as income tax expense in the Statement of Operations.

- 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

# Carbon Collective Climate Solutions U.S. Equity ETF

## NOTES TO FINANCIAL STATEMENTS January 31, 2023 (Unaudited) (Continued)

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.

### I. *Recently Issued Accounting Pronouncements.*

- In June 2022, the FASB issued Accounting Standards Update 2022-03, which amends Fair Value Measurement (Topic 820): Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions ("ASU 2022-03"). ASU 2022-03 clarifies guidance for fair value measurement of an equity security subject to a contractual sale restriction and establishes new disclosure requirements for such equity securities. ASU 2022-03 is effective for fiscal years beginning after December 15, 2023 and for interim periods within those fiscal years, with early adoption permitted. The Fund is currently evaluating the impact of these amendments on the financial statements.

## NOTE 3 – COMMITMENTS AND OTHER RELATED PARTY TRANSACTIONS

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 with the Trust, on behalf of the Fund (the "Advisory Agreement"). The Adviser provides oversight of Carbon Collective Investing, LLC (the "Sub-Adviser") 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. The Adviser also arranges for sub-advisory, transfer agency, custody, fund administration, and all other related services necessary for the Fund to operate. For the services it provides to the Fund, the Fund pays the Adviser a unitary management fee, which is calculated daily and paid monthly, at an annual rate of 0.35% of the Fund's average daily net assets.

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, distribution fees and expenses paid by the Fund under any distribution plan adopted pursuant to Rule 12b-1 under the Investment Company Act of 1940 Act, as amended (the "1940 Act"), litigation expenses, non-routine or extraordinary expenses, and the unitary management fee payable to the Adviser (collectively, the "Excluded Expenses").

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. For its services, the Sub-Adviser is paid a fee by the Adviser, which fee is calculated daily and paid month, at an annual rate of 0.02% of the Fund's average daily net assets. The Sub-Adviser has agreed to assume the Adviser's obligation to pay all expenses 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.

Tidal ETF Services LLC ("Tidal"), a Tidal Financial Group company and 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.

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 nor the Trust's officers receive compensation from the Fund.

## NOTE 4 – PURCHASES AND SALES OF SECURITIES

For the period ended January 31, 2023, the cost of purchases and proceeds from the sales or maturities of securities, excluding short-term investments, U.S. government securities, and in-kind transactions were \$3,240,790 and \$2,808,525, respectively.

For the period ended January 31, 2023, there were no purchases or sales of long-term U.S. Government securities.

# Carbon Collective Climate Solutions U.S. Equity ETF

## NOTES TO FINANCIAL STATEMENTS January 31, 2023 (Unaudited) (Continued)

For the period ended January 31, 2023, in-kind transactions associated with creations and redemptions for the Fund were \$16,115,990 and \$0, respectively.

### NOTE 5 – INCOME TAXES AND 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 January 31, 2023. Differences between the tax cost of investments and the cost noted in the Schedule of Investments will be determined at fiscal year-end. The tax character of distributions paid during the period ended January 31, 2023 (estimated) was as follows:

**Distributions paid from:**

Ordinary income . . . . .	\$36,414
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### NOTE 6 – 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, called “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 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 \$500, 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% and for Redemption Units of up to a maximum of 2%, respectively, 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 7 – RECENT MARKET EVENTS

U.S. and international markets have experienced and may continue to experience significant periods of volatility in recent years and months due to a number of economic, political and global macro factors including rising inflation, uncertainty regarding central banks’ interest rate increases, the possibility of a national or global recession, trade tensions, political events, the war between Russia and Ukraine and the impact of the corona virus (COVID-19) global pandemic. The global recovery from COVID-19 may last for an extended period of time. As a result of continuing political tensions and armed conflicts, including the war between Ukraine and Russia, the U.S. and the European Union imposed sanctions on certain Russian individuals and companies, including certain financial institutions, and have limited certain exports and imports to and from Russia. The war has contributed to recent market volatility and may continue to do so. 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, despite government efforts to address market disruptions. Continuing market volatility as a result of recent market conditions or other events may have adverse effects on your account.

**NOTES TO FINANCIAL STATEMENTS** January 31, 2023 (Unaudited) (Continued)

**NOTE 8 – 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. The Fund has determined that there are no subsequent events that would need to be disclosed in the Fund's financial statements.



# Carbon Collective Climate Solutions U.S. Equity ETF

## EXPENSE EXAMPLE For the Period Ended January 31, 2023 (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 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 19, 2022 (commencement of operations) to January 31, 2023. 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 August 1, 2022 to January 31, 2023.

### Actual Expenses

The first line of the following table provides information about actual account values and actual expenses. 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.

	<b>Beginning Account Value September 19, 2022</b>	<b>Ending Account Value January 31, 2023</b>	<b>Expenses Paid During the Period September 19, 2022 – January 31, 2023</b>
Actual <sup>(1)</sup> .....	\$1,000.00	\$964.90	\$1.26
	<b>Beginning Account Value August 1, 2022</b>	<b>Ending Account Value January 31, 2023</b>	<b>Expenses Paid During the Period August 1, 2022 – January 31, 2023</b>
Hypothetical (5% annual return before expenses) <sup>(2)</sup> .....	\$1,000.00	\$1,023.44	\$1.79

<sup>(1)</sup> The actual expenses are equal to the Fund's annualized net expense ratio of 0.35%, multiplied by the average account value over the period, multiplied by 134/365 (to reflect the period from September 19, 2022 to January 31, 2023, the commencement of operations date to the end of the period).

<sup>(2)</sup> The hypothetical expenses are equal to the Fund's annualized net expense ratio of 0.35%, multiplied by the average account value over the period, multiplied by 184/365 (to reflect the most recent six-month period).



# Carbon Collective Climate Solutions U.S. Equity ETF

## APPROVAL OF ADVISORY AND SUB-ADVISORY AGREEMENTS AND BOARD CONSIDERATIONS

Pursuant to Section 15(c) of the Investment Company Act of 1940 (the “1940 Act”), at a meeting held on June 29, 2022, the Board of Trustees (the “Board”) of Tidal Trust II (the “Trust”) considered the approval of:

- the Investment Advisory Agreement (the “Advisory Agreement”) between Toroso Investments, LLC (the “Adviser”) and the Trust, on behalf of the Carbon Collective Climate Solutions U.S. Equity ETF (the “Fund”); and
- an Investment Sub-Advisory Agreement between the Adviser and Carbon Collective Investing, LLC (the “Sub-Adviser”) with respect to the Fund (the “Sub-Advisory Agreement” and, together with the Advisory Agreement, the “Agreements”).

Pursuant to Section 15 of the 1940 Act, the Agreements must be approved by the vote of a majority of the Trustees who are not parties to the Agreements or “interested persons” of any party thereto, as defined in the 1940 Act (the “Independent Trustees”), cast in person at a meeting called for the purpose of voting on such approval. In preparation for such meeting, the Board requested and reviewed a wide variety of information from the Adviser and Sub-Adviser.

In reaching its decision, the Board, including the Independent Trustees, considered all factors it believed relevant, including: (i) the nature, extent and quality of the services to be provided to the Fund’s shareholders by the Adviser and Sub-Adviser; (ii) the costs of the services to be provided and the profits to be realized by the Adviser and Sub-Adviser from services to be provided to the Fund, including any fall-out benefits; (iv) comparative fee and expense data for the Fund in relation to other investment companies with similar investment objectives; (v) the extent to which economies of scale would be realized as the Fund grows and whether the advisory fees for the Fund reflects these economies of scale for the benefit of the Fund; and (vi) other financial benefits to the Adviser or Sub-Adviser and their affiliates resulting from services rendered to the Fund. The Board’s review included written and oral information furnished to the Board prior to and at the meeting held on June 29, 2022. Among other things, each of the Adviser and Sub-Adviser provided responses to a detailed series of questions, which included information about the Adviser’s and Sub-Adviser’s operations, service offerings, personnel, compliance program and financial condition. The Board then discussed the written and oral information that it received before the meeting, and the Adviser’s oral presentations and any other information that the Board received at the meeting, and deliberated on the renewal of the Agreements in light of this information.

The Independent Trustees were assisted throughout the contract review process by independent legal counsel. The Independent Trustees relied upon the advice of such counsel and their own business judgment in determining the material factors to be considered in evaluating the renewal of the Agreements, and the weight to be given to each such factor. The conclusions reached with respect to the Agreements were based on a comprehensive evaluation of all the information provided and not any single factor. Moreover, each Trustee may have placed varying emphasis on particular factors in reaching conclusions with respect to each Fund. The Independent Trustees conferred amongst themselves and independent legal counsel in executive sessions both with and without representatives of management.

**Nature, Extent and Quality of Services to be Provided.** The Trustees considered the scope of services to be provided under the Advisory Agreement and Sub-Advisory Agreement. In considering the nature, extent and quality of the services to be provided by the Adviser and Sub-Adviser, the Board reviewed the Adviser’s and Sub-Adviser’s compliance infrastructure and its financial strength and resources. The Board also considered the experience of the personnel of the Adviser and Sub-Adviser working with ETFs. The Board also considered other services to be provided to the Fund by the Adviser and Sub-Adviser, such as selecting broker-dealers for executing portfolio transactions, monitoring adherence to the Fund’s investment restrictions, and monitoring compliance with various Fund policies and procedures and with applicable securities regulations. Based on the factors above, as well as those discussed below, the Board concluded that it was satisfied with the nature, extent and quality of the services to be provided to the Fund by the Adviser and Sub-Adviser based on their experience, personnel, operations and resources.

**Historical Performance.** The Board noted that the Fund had not yet commenced operations and that therefore there was no prior performance to review.

**Cost of Services Provided, Profitability and Economies of Scale.** The Board reviewed the proposed advisory fees for the Fund and compared them to the management fees and total operating expenses of its Morningstar peer group, as well as to comparable ETFs, as determined by the Adviser. The Board noted that the comparisons to the total expense ratios were the most relevant comparisons, given the fact that the advisory fee for the Fund is a “unified fee.” The Board took into consideration management’s discussion of the fees, including that the Fund has a niche investment strategy that is substantially different than the strategies of many of the peer ETFs and, therefore, the information provided about the comparable ETFs may not provide meaningful direct comparisons to the Fund.

### APPROVAL OF ADVISORY AND SUB-ADVISORY AGREEMENTS AND BOARD CONSIDERATIONS (Continued)

The Board noted the importance of the fact that the proposed advisory fee for the Fund is a “unified fee,” meaning that the shareholders of the Fund pay no expenses 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, distribution fees and expenses paid by the Fund under any distribution plan adopted pursuant to Rule 12b-1 under the Investment Company Act of 1940 Act, as amended (the “1940 Act”), litigation expenses, non-routine or extraordinary expenses, and the unitary management fee payable to the Adviser. The Board also noted that the Adviser was responsible for compensating the Trust’s other service providers and paying the Fund’s other expenses (except as noted above) out of its own fees and resources. The Board further noted that because the Fund is new, it was difficult to estimate the profitability of the Fund to the Adviser. The Board, however, considered collateral or “fall-out” benefits that the Adviser and its affiliates may derive as a result of their relationship with the Fund.

The Board noted that because the Fund is new, it also was difficult to estimate whether the Fund would experience economies of scale. The Board noted that the Adviser will review expenses as the Fund’s assets grow. The Board determined to evaluate economies of scale on an ongoing basis if the Fund achieved asset growth.

The Board also reviewed the proposed sub-advisory fee paid to the Sub-Adviser for its services under the Sub-Advisory Agreement. The Board considered this fee in light of the services the Sub-Adviser provides as investment sub-adviser to the Fund. The Board determined that the proposed fee reflected an appropriate allocation of the advisory fee paid to the Adviser and Sub-Adviser given the work performed by each firm. The Board concluded that the proposed sub-advisory fee was reasonable in light of the services rendered.

The Board also considered that the sub-advisory fee paid to the Sub-Adviser is paid out of the Adviser’s unified fee and represents an arm’s-length negotiation between the Adviser and the Sub-Adviser. For these reasons, the Trustees determined that the profitability to the Sub-Adviser from its relationship with the Fund was not a material factor in their deliberations with respect to consideration of approval of the Sub-Advisory Agreement. The Board considered that, because the sub-advisory fee was paid by the Adviser out of its unified fee, any economies of scale would not benefit shareholders and, thus, were not relevant for the consideration of the approval of the sub-advisory fee.

**Conclusion.** No single factor was determinative to the decision of the Board. Based on the Board’s deliberations and its evaluation of the information described above and such other matters as were deemed relevant, the Board, including the Independent Trustees, unanimously: (a) concluded that the terms of the Advisory Agreement and Sub-Advisory Agreement are fair and reasonable; (b) concluded that the Adviser’s and Sub-Adviser’s fees are reasonable in light of the services that the Adviser and Sub-Adviser will provide to the Fund; and (c) agreed to approve the Advisory Agreement and Sub-Advisory Agreement for an initial term of two years.

## Carbon Collective Climate Solutions U.S. Equity 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 Trust II (the “Trust”), on behalf of its series, the Carbon Collective Climate Solutions U.S. Equity 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 the Fund’s shareholders from dilution of their interests. The Trust’s Board of Trustees (the “Board”) has approved the designation of Toroso Investments, LLC, the Funds’ 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 21, 2022, the Board reviewed the Program Administrator’s written annual report for the period October 1, 2021 through September 30, 2022 (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 general reference 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.

## Carbon Collective Climate Solutions U.S. Equity ETF

### ADDITIONAL DISCLOSURES

#### 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) 794-0140 or by accessing the Fund's website at [www.carboncollectivefunds.com/ccso](http://www.carboncollectivefunds.com/ccso). Furthermore, you can obtain the description on the SEC's website at [www.sec.gov](http://www.sec.gov).

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) 794-0140 or by accessing the SEC's website at [www.sec.gov](http://www.sec.gov).

#### INFORMATION ABOUT THE PORTFOLIO HOLDINGS (Unaudited)

The Fund's portfolio holdings are posted on the Fund's website daily at [www.carboncollectivefunds.com/ccso](http://www.carboncollectivefunds.com/ccso). 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) 794-0140. Furthermore, you can obtain the Part F of Form N-PORT on the SEC's website at [www.sec.gov](http://www.sec.gov).

#### 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.carboncollectivefunds.com/ccso](http://www.carboncollectivefunds.com/ccso).

#### INFORMATION ABOUT THE FUNDS' 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) 794-0140. 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.carboncollectivefunds.com/ccso](http://www.carboncollectivefunds.com/ccso).

**Investment Adviser**

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**Distributor**

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**Fund Information**

<b>Fund</b>	<b>Ticker</b>	<b>CUSIP</b>
Carbon Collective Climate Solutions U.S. Equity ETF	CCSO	88634T105