



# **Financial Statements**

## **April 30, 2025 (Unaudited)**

### **Tidal Trust III**

Fundstrat Granny Shots US Large Cap ETF | GRNY | NYSE Arca, Inc.

# Fundstrat Granny Shots US Large Cap ETF

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**Fundstrat Granny Shots US Large Cap ETF**  
**Schedule of Investments**  
**April 30, 2025 (Unaudited)**

<b>COMMON STOCKS - 99.7%</b>	<b>Shares</b>	<b>Value</b>
<b>Banking - 2.8%</b>		
JPMorgan Chase & Co.	104,960	\$ 25,675,315
<b>Consumer Discretionary Products - 2.3%</b>		
Tesla, Inc. <sup>(a)</sup>	74,559	21,037,567
<b>Financial Services - 13.8%</b>		
American Express Co.	88,562	23,593,802
Bank of New York Mellon Corp.	330,380	26,565,856
Goldman Sachs Group, Inc.	43,959	24,069,750
PayPal Holdings, Inc. <sup>(a)</sup>	357,134	23,513,703
S&P Global, Inc.	55,161	27,583,258
		<u>125,326,369</u>
<b>Health Care - 5.8%</b>		
Abbott Laboratories	213,645	27,934,084
Intuitive Surgical, Inc. <sup>(a)</sup>	47,820	24,665,556
		<u>52,599,640</u>
<b>Industrial Products - 14.2%</b>		
Axon Enterprise, Inc. <sup>(a)</sup>	41,486	25,443,364
Caterpillar, Inc.	78,671	24,330,580
Eaton Corp PLC	89,650	26,390,270
Emerson Electric Co.	227,896	23,954,149
GE Vernova, Inc.	76,937	28,529,778
		<u>128,648,141</u>
<b>Industrial Services - 3.0%</b>		
Quanta Services, Inc.	92,211	26,989,238
<b>Insurance - 3.5%</b>		
Progressive Corp.	113,601	32,005,946
<b>Media - 8.5%</b>		
Alphabet, Inc. - Class A	148,991	23,659,771
Meta Platforms, Inc. - Class A	40,177	22,057,173
Netflix, Inc. <sup>(a)</sup>	27,926	31,604,413
		<u>77,321,357</u>
<b>Retail &amp; Wholesale - Discretionary - 2.5%</b>		
Amazon.com, Inc. <sup>(a)</sup>	119,821	22,097,389

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

**Retail & Wholesale - Staples - 3.0%**

Costco Wholesale Corp.	27,207	\$ 27,057,361
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**Software & Tech Services - 24.4%**

Accenture PLC - Class A	71,296	21,328,198
Cadence Design Systems, Inc. <sup>(a)</sup>	93,725	27,905,682
CrowdStrike Holdings, Inc. - Class A <sup>(a)</sup>	67,691	29,030,639
Microsoft Corp.	68,468	27,062,662
MicroStrategy, Inc. – Class A <sup>(a)</sup>	83,202	31,625,912
Oracle Corp.	164,578	23,159,416
Palantir Technologies, Inc. – Class A <sup>(a)</sup>	280,193	33,186,059
Palo Alto Networks, Inc. <sup>(a)</sup>	151,744	28,365,506
		<u>221,664,074</u>

**Tech Hardware & Semiconductors - 15.9%**

Advanced Micro Devices, Inc. <sup>(a)</sup>	256,109	24,932,211
Apple, Inc.	122,306	25,990,025
Arista Networks, Inc. <sup>(a)</sup>	244,768	20,137,063
Garmin Ltd.	128,724	24,054,654
NVIDIA Corp.	227,976	24,831,146
QUALCOMM, Inc.	162,552	24,132,470
		<u>144,077,569</u>

<b>TOTAL COMMON STOCKS (Cost \$971,027,250)</b>		<u>904,499,966</u>
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**SHORT-TERM INVESTMENTS - 0.3%**

<b>Money Market Funds - 0.3%</b>	<b>Shares</b>	<b>Value</b>
First American Government Obligations Fund - Class X, 4.25% <sup>(b)</sup>	2,573,497	<u>2,573,497</u>

<b>TOTAL SHORT-TERM INVESTMENTS (Cost \$2,573,497)</b>		<u>2,573,497</u>
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<b>TOTAL INVESTMENTS - 100.0% (Cost \$973,600,747)</b>		\$ 907,073,463
Other Assets in Excess of Liabilities - 0.0% <sup>(c)</sup>		<u>97,021</u>
<b>TOTAL NET ASSETS - 100.0%</b>		<u>\$ 907,170,484</u>

Percentages are stated as a percent of net assets.

(a) Non-income producing security.

(b) The rate shown represents the 7-day annualized effective yield as of April 30, 2025.

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

## Statement of Assets and Liabilities

April 30, 2025 (Unaudited)

	<b>Fundstrat Granny Shots US Large Cap ETF</b>
<b>ASSETS:</b>	
Investments, at value (cost \$973,600,747) (Note 2)	\$ 907,073,463
Dividends receivable	608,396
Interest receivable	8,312
Total assets	907,690,171
<b>LIABILITIES:</b>	
Payable to adviser (Note 4)	519,687
Total liabilities	519,687
<b>NET ASSETS</b>	<b>\$ 907,170,484</b>
<b>NET ASSETS CONSISTS OF:</b>	
Paid-in capital	\$ 978,857,956
Total distributable earnings/(accumulated losses)	(71,687,472)
<b>Total Net Assets</b>	<b>\$ 907,170,484</b>
Net assets	\$ 907,170,484
Shares issued and outstanding <sup>(a)</sup>	47,600,000
Net asset value per share	\$ 19.06

(a) Unlimited shares authorized without par value.

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

## Statement of Operations

For the Period Ended April 30, 2025 (Unaudited)

### Fundstrat Granny Shots US Large Cap ETF<sup>(a)</sup>

#### INVESTMENT INCOME:

Dividend income	\$ 2,760,634
Interest income	33,462
Total investment income	<u>2,794,096</u>

#### EXPENSES:

Investment advisory fee (Note 4)	<u>2,569,901</u>
Total expenses	<u>2,569,901</u>
NET INVESTMENT INCOME (LOSS)	<u>224,195</u>

#### REALIZED AND UNREALIZED GAIN (LOSS)

Net realized gain (loss) from:

Investments	<u>(5,384,383)</u>
Net realized gain (loss)	<u>(5,384,383)</u>

Net change in unrealized appreciation (depreciation) on:

Investments	<u>(66,527,284)</u>
Net change in unrealized appreciation (depreciation)	<u>(66,527,284)</u>

Net realized and unrealized gain (loss)	<u>(71,911,667)</u>
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#### NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS

\$ (71,687,472)

(a) Inception date for the Fund was November 6, 2024.

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

## Statement of Changes in Net Assets

	<b>Fundstrat Granny Shots US</b> <b>Large Cap ETF</b> <b>For the Period Ended April</b> <b>30, 2025<sup>(a)</sup> (Unaudited)</b>
<b>OPERATIONS:</b>	
Net investment income (loss)	\$ 224,195
Net realized gain (loss)	(5,384,383)
Net change in unrealized appreciation (depreciation)	(66,527,284)
Net increase (decrease) in net assets resulting from operations	(71,687,472)
<b>CAPITAL TRANSACTIONS:</b>	
Subscriptions	1,025,211,808
Redemptions	(46,353,875)
ETF transaction fees (Note 8)	23
Net increase (decrease) in net assets from capital transactions	978,857,956
<b>NET INCREASE (DECREASE) IN NET ASSETS</b>	907,170,484
<b>NET ASSETS:</b>	
Beginning of the period	—
End of the period	\$ 907,170,484
<b>SHARES TRANSACTIONS</b>	

(a) Inception date for the Fund was November 6, 2024.

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

## Financial Highlights

### For a share outstanding throughout the period presented

**Fundstrat  
Granny Shots US  
Large Cap ETF**  
**Period Ended  
April 30, 2025<sup>(a)</sup>  
(Unaudited)**

#### PER SHARE DATA:

Net asset value, beginning of period	\$20.00
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#### INVESTMENTS OPERATIONS:

Net investment income (loss) <sup>(b)</sup>	0.01
Net realized and unrealized gain (loss) <sup>(c)</sup>	(0.95)
Total from investment operations	(0.94)

#### Capital Transactions:

ETF Transaction fees per share	0.00 <sup>(d)</sup>
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Net asset value, end of period	\$19.06
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<b>TOTAL RETURN<sup>(e)</sup></b>	<b>(4.70)%</b>
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#### SUPPLEMENTAL DATA AND RATIOS:

Net assets, end of period (in thousands)	\$907,170
Ratio of expenses to average net assets <sup>(f)</sup>	0.75%
Ratio of net investment income to average net assets <sup>(f)</sup>	0.07%
Portfolio turnover rate <sup>(e)(g)</sup>	32%

(a) Inception date for the Fund was November 6, 2024.

(b) Net investment income per share has been calculated based on average shares outstanding during the periods.

(c) Realized and unrealized gains and losses per share in the caption are balancing amounts necessary to reconcile the change in net asset value per share for the periods and may not reconcile with the aggregate gains and losses in the Statement of Operations due to share transactions for the periods.

(d) Does not round to \$0.005.

(e) Not annualized for periods less than one year.

(f) Annualized for periods less than one year.

(g) Portfolio turnover rate excludes in-kind transactions.

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



# Notes to Financial Statements

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April 30, 2025 (Unaudited)

## NOTE 1 - ORGANIZATION

The Fundstrat Granny Shots US Large Cap ETF (the “Fund”) is a diversified series of shares of beneficial interest of Tidal Trust III (the “Trust”). The Trust was organized as a Delaware statutory trust on May 19, 2016 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 (“Shares”) is registered under the Securities Act of 1933, as amended. The Trust is governed by its Board of Trustees (the “Board”). Tidal Investments LLC (“Tidal Investments” or the “Adviser”), a Tidal Financial Group company, serves as investment adviser to the Fund and Fundstrat Global Advisors, LLC (“Fundstrat” or the “Sub-Adviser”), serves as sub-adviser to the Fund. The Fund is an investment company and accordingly follows the investment company accounting and reporting guidance of the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification Topic 946 “Financial Services — Investment Companies.” The Fund commenced operations on November 6, 2024

The investment objective of the Fund is to seek 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”).

**Security Valuation** - Equity securities 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 each day that the Fund is open for business.

Under Rule 2a-5 of the 1940 Act, a fair value policy will be determined for securities for which quotations are not readily available 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 Adviser, subject to oversight by 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 fund may cause the net asset value (“NAV”) of its shares to differ significantly from the NAV 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.

## Notes to Financial Statements

April 30, 2025 (Unaudited)

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.

	Level 1	Level 2	Level 3	Total
<b>Investments:</b>				
Common Stocks	\$ 904,499,966	\$ –	\$ –	\$ 904,499,966
Money Market Funds	2,573,497	–	–	2,573,497
<b>Total Investments</b>	<b>\$ 907,073,463</b>	<b>\$ –</b>	<b>\$ –</b>	<b>\$ 907,073,463</b>

Refer to the Schedule of Investments for further disaggregation of investment categories.

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

In order to avoid imposition of the excise tax applicable to RICs, the Fund intends to declare, as dividends in each calendar year, at least 98% 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 a RIC, the Fund is subject to a 4% excise tax that is imposed if the Fund does not distribute by the end of any calendar year at least the sum of (i) 98% of its ordinary income (not taking into account any capital gain or loss) for the calendar year and (ii) 98.2% of its capital gain in excess of its capital loss (adjusted for certain ordinary losses) for a one year period generally ending on October 31 of the calendar year (unless an election is made to use the Fund's fiscal year). The Fund generally intends to distribute income and capital gains in the manner necessary to minimize (but not necessarily eliminate) the imposition of such excise tax. The Fund may retain income or capital gains and pay excise tax when it is determined that doing so is in the best interest of shareholders. Management evaluates the costs of the excise tax relative to the benefits of retaining income and capital gains, including that such

## Notes to Financial Statements

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undistributed amounts (net of the excise tax paid) remain available for investment by the Fund and are available to supplement future distributions. Tax expense is disclosed in the Statement of Operations, if applicable.

As of April 30, 2025, 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.

**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. Interest income is recorded on the ex-dividend date. Interest 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 Fund'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 if any, quarterly. Distributions to shareholders from net realized gains on securities, if any, for the Fund normally are declared and paid at least annually. 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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

**Share Valuation** - The 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. Fund shares will not be priced on the days on which the NASDAQ 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 Investments** - 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 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.

### NOTE 3 - PRINCIPAL INVESTMENT RISKS

**Equity Market Risk.** 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 specific issuers. The equity securities held in the Fund's portfolio 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 the Fund invests.

**Market Capitalization Risk.**

- **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.

**Models and Data Risk.** The composition of the Fund's portfolio is heavily dependent on investment models developed by the Sub-Adviser as well as information and data supplied by third parties ("Models and Data"). When Models and Data prove to be incorrect or incomplete, any decisions made in reliance thereon may lead to the inclusion or exclusion of securities from the Fund's portfolio that would have been excluded or included had the Models and Data been correct and complete. Errors in programming, data entry, system compatibility, or database integrity can result in the unintended inclusion or exclusion of securities in the Fund's portfolio. Such errors, whether due to human or technological factors, could induce the Sub-Adviser to make investment choices that would not have been made with accurate and complete information, potentially leading to losses or missed gains for the Fund.

As with any investment, there is a risk that you could lose all or a portion of your principal investment in the Fund. The Fund is subject to the above principal risks, as well as other principal risks which may adversely affect the Fund's NAV, trading price, yield, total return and/or ability to meet its objective. For more information about the risks of investing in the Fund, see the section in the Fund's Prospectus titled "Additional Information About the Fund — Principal Investment Risks."

### NOTE 4 - COMMITMENTS AND OTHER RELATED PARTY TRANSACTIONS

The Adviser serves as investment adviser to the Fund pursuant to an investment advisory agreement between the Adviser and the Trust, on behalf of the Fund (the "Advisory Agreement"), and, pursuant to the Advisory Agreement, provides investment advice to the Fund and oversees the day-to-day operations of the Fund, subject to the direction and oversight of the Board. The Adviser is also responsible for trading portfolio securities for the Fund, including selecting broker-dealers to execute purchase and sale transactions. The Adviser provides oversight of the Sub-Adviser and review of the Sub-Adviser's performance.

Pursuant to the Advisory Agreement, the Fund pays the Adviser a unitary management fee (the "Investment Advisory Fee") of 0.75% based on the average daily net assets of the Fund. Out of the Investment Advisory 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 (collectively, "Excluded Expenses"), and the Investment Advisory Fee payable to the Adviser. The Investment Advisory Fees incurred are paid

## Notes to Financial Statements

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monthly to the Adviser. Investment Advisory Fees for the period ended April 30, 2025 are disclosed in the Statement of Operations.

The Sub-Adviser serves as investment sub-adviser to the Fund, pursuant to a sub-advisory agreement between the Adviser and the Sub-Adviser with respect to the Fund (the "Sub-Advisory Agreement"). Pursuant to the Sub-Advisory Agreement, 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. The Sub-Adviser is paid a fee by the Adviser, which is calculated daily and paid monthly, at an annual rate of 0.04% of the Fund's average daily net assets. The Sub-Adviser has agreed to assume a portion of the Adviser's obligation to pay all expenses incurred by the Fund, except for the Sub-Advisory Fee payable to the Sub-Adviser and Excluded Expenses. For assuming the payment obligation for a portion of the Fund's expenses, the Adviser has agreed to pay to the Sub-Adviser a corresponding share of profits, if any, generated by the Fund's Investment Advisory Fee, less a contractual fee retained by the Adviser. Expenses incurred by the Fund and paid by the Sub-Adviser include fees charged by Tidal (defined below), which is an affiliate of the Adviser.

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. Tidal 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.

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. Neither the affiliated trustee nor the Trust's officers receive compensation from the Fund.

The Board has adopted a Distribution (Rule 12b-1) Plan (the "Plan") pursuant to Rule 12b-1 under the 1940 Act. In accordance with the Plan, the Fund is authorized to pay an amount up to 0.25% of its average daily net assets each year to pay distribution fees for the sale and distribution of its Shares. No Rule 12b-1 fees are currently paid by the Fund, and there are no plans to impose these fees. However, in the event Rule 12b-1 fees are charged in the future, because the fees are paid out of the Fund's assets on an ongoing basis, over time these fees will increase the cost of your investment and may cost you more than certain other types of sales charges.

### NOTE 5 - SEGMENT REPORTING

In accordance with the FASB Accounting Standards Update (ASU) 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures, the Fund has evaluated its business activities and determined that it operates as a single reportable segment.

The Fund's investment activities are managed by the Adviser, which serves as the Chief Operating Decision Maker ("CODM"). The Adviser is responsible for assessing the Fund's financial performance and allocating resources. In making these assessments, the Adviser evaluates the Fund's financial results on an aggregated basis, rather than by separate segments. As such, the Fund does not allocate operating expenses or assets to multiple segments, and accordingly, no additional segment disclosures are required. There were no intra-entity sales or transfers during the reporting period.

## Notes to Financial Statements

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The Fund primarily generates income through dividends, interest, and realized/unrealized gains on its investment portfolio. Expenses incurred, including management fees, fund operating expenses, and transaction costs, are considered general fund-level expenses and are not allocated to specific segments or business lines.

Management has determined that the Fund does not meet the criteria for disaggregated segment reporting under ASU 2023-07 and will continue to evaluate its reporting requirements in accordance with applicable accounting standards.

### **NOTE 6 - PURCHASES AND SALES OF SECURITIES**

For the period ended April 30, 2025, 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 \$213,743,735 and \$45,521,950 respectively.

For the period ended April 30, 2025, there were no purchases or sales of long-term U.S. government securities.

For the period ended April 30, 2025, in-kind transactions associated with creations and redemptions for the Fund were \$1,009,543,890 and \$201,354,043, respectively.

### **NOTE 7 - 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 April 30, 2025. 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 for the period ended April 30, 2025.

### **NOTE 8 - SHARES TRANSACTIONS**

Shares of the Fund are listed and traded on the 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 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 \$300, 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,

## Notes to Financial Statements

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April 30, 2025 (Unaudited)

a variable fee may be charged on all cash transactions or substitutes for Creation Units and Redemption Units of up to a maximum of 2% 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 9 - 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 uncertainty regarding inflation and central banks' interest rate changes, the possibility of a national or global recession, trade tensions and tariffs, political events, armed conflict, war, and geopolitical conflict. 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. As a result, the risk environment remains elevated. The Adviser and Sub-Adviser will monitor developments and seek to manage the Fund in a manner consistent with achieving the Fund's investment objective, but there can be no assurance that they will be successful in doing so.

### **NOTE 10 - SUBSEQUENT EVENTS**

In preparing these financial statements, management 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 recognized or disclosed in the Fund's financial statements.

**Item 8. Changes in and Disagreements with Accountants for Open-End Investment Companies.**

There have been no changes in or disagreements with the Fund's accountants.

**Item 9. Proxy Disclosure for Open-End Investment Companies.**

There were no matters submitted to a vote of shareholders during the period covered by the report.

**Item 10. Remuneration Paid to Directors, Officers, and Others of Open-End Investment Companies.**

See Item 7(a). Under the Investment Advisory Agreement, in exchange for a single unitary management fee from the Fund, the Adviser has agreed to pay all expenses incurred by the Fund, including Trustee compensation, except for certain excluded expenses.

**Item 11. Statement Regarding Basis for Approval of Investment Advisory Contract.**

Pursuant to Section 15(c) of the Investment Company Act of 1940 (the "1940 Act"), at a meeting held on October 10, 2024, the Board of Trustees (the "Board") of Tidal Trust III (the "Trust") considered the approval of:

- the Investment Advisory Agreement (the "Advisory Agreement") between Tidal Investments LLC (the "Adviser") and the Trust, on behalf of the Fund;
- an Investment Sub-Advisory Agreement (a "Sub-Advisory Agreement" and together with the Advisory Agreement, the "Agreements") between the Adviser and Fundstrat Capital, LLC ("Fundstrat") with respect to the Fundstrat Granny Shots US Large Cap ETF ("Fundstrate ETF").

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. It is noted that in accordance with the SEC's temporary exemptive relief for in-person approvals, these approvals shall be ratified at the next in-person Board meeting.

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; (iii) comparative fee and expense data for the Fund in relation



to other investment companies with similar investment objectives; (iv) 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 (v) 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 October 10, 2024. Among other things, 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 approval 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 the 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 fee for the Fund and compared it to the management fees and total operating expenses of its Peer Group. 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 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 each 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 achieves asset growth.

The Board also reviewed the proposed sub-advisory fee paid to the Sub-Adviser for its services. The Board considered the fee in light of the services being provided. The Board determined that the proposed fee reflected an appropriate allocation of the advisory fee paid to the Adviser and the Sub-Adviser given the work performed by the firm. The Board also considered that Fundstrat was acting as sponsor for the Fundstrat ETF and had agreed to assume the payment of any fund expenses above the level of the unitary fee. The Board considered that pursuant to this arrangement, if fund expenses, including a payment to the Adviser of a certain amount, fall below the level of the unitary fee, the Adviser would pay any remaining portion of the unitary fee to the sponsor out of its profits. The Board concluded that the proposed fee for the Fund were reasonable in light of the services rendered.

The Board also considered that the sub-advisory fee 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 relationships 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 fee is 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 each of 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 Agreements for an initial term of two years.