



# Financial Statements

## January 31, 2025

### Tidal Trust II

iREIT® - MarketVector Quality REIT Index ETF | IRET | NYSE Arca, Inc.

# iREIT® - MarketVector Quality REIT Index ETF

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# Schedule of Investments

# iREIT® - MarketVector Quality REIT Index ETF

January 31, 2025

<b>REAL ESTATE INVESTMENT TRUSTS - 99.1%</b>	<b>Shares</b>	<b>Value</b>
Agree Realty Corp.	2,362	\$ 171,410
Alexander & Baldwin, Inc.	4,593	81,985
Alexandria Real Estate Equities, Inc.	1,696	165,106
Apple Hospitality REIT, Inc.	10,823	167,107
AvalonBay Communities, Inc.	775	171,670
CareTrust REIT, Inc.	6,155	163,107
Cousins Properties, Inc.	5,814	177,501
Crown Castle, Inc.	1,770	158,026
CubeSmart	3,732	155,624
Digital Realty Trust, Inc.	466	76,359
Equinix, Inc.	179	163,545
Equity Residential	2,380	168,099
Essential Properties Realty Trust, Inc.	2,645	84,904
Essex Property Trust, Inc.	591	168,181
Four Corners Property Trust, Inc.	6,040	165,677
Gaming and Leisure Properties, Inc.	1,774	85,844
Getty Realty Corp.	5,453	169,098
Host Hotels & Resorts, Inc.	9,102	152,094
Iron Mountain, Inc.	1,521	154,488
Kilroy Realty Corp.	2,087	81,435
Kimco Realty Corp.	3,600	80,820
Lamar Advertising Co. - Class A	1,357	171,552
LTC Properties, Inc.	2,372	81,597
LXP Industrial Trust	9,715	80,829
Mid-America Apartment Communities, Inc.	1,094	166,923
National Storage Affiliates Trust	2,084	77,421
Omega Healthcare Investors, Inc.	2,265	83,941
Park Hotels & Resorts, Inc.	5,573	75,180
Public Storage	535	159,687
Realty Income Corp.	1,591	86,932
Regency Centers Corp.	2,352	168,968
Rexford Industrial Realty, Inc.	4,296	174,675
Ryman Hospitality Properties, Inc.	1,493	156,526
Simon Property Group, Inc.	989	171,948
VICI Properties, Inc.	5,578	166,057
Welltower, Inc.	1,359	185,476
<b>TOTAL REAL ESTATE INVESTMENT TRUSTS (Cost \$5,088,859)</b>		<b>4,969,792</b>
<b>SHORT-TERM INVESTMENTS - 0.9%</b>		
<b>Money Market Funds - 0.9%</b>		
First American Government Obligations Fund - Class X, 4.32% <sup>(a)</sup>	44,830	44,830
<b>TOTAL SHORT-TERM INVESTMENTS (Cost \$44,830)</b>		<b>44,830</b>
<b>TOTAL INVESTMENTS - 100.0% (Cost \$5,133,689)</b>		<b>5,014,622</b>
Liabilities in Excess of Other Assets - (0.0)% <sup>(b)</sup>		(957)
<b>TOTAL NET ASSETS - 100.0%</b>		<b>\$ 5,013,665</b>

Percentages are stated as a percent of net assets.

(a) The rate shown represents the 7-day annualized effective yield as of January 31, 2025.

(b) Represents less than 0.05% of net assets.

# Statement of Assets and Liabilities

## iREIT® - MarketVector Quality REIT Index ETF

January 31, 2025

### ASSETS:

Investments, at value (Note 2)	\$	5,014,622
Dividends receivable		1,463
Interest receivable		108
Total assets		<u>5,016,193</u>

### LIABILITIES:

Payable to adviser (Note 4)		<u>2,528</u>
Total liabilities		<u>2,528</u>

<b>NET ASSETS</b>	<b>\$</b>	<b><u>5,013,665</u></b>
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### NET ASSETS CONSISTS OF:

Paid-in capital	\$	5,304,306
Total accumulated losses		<u>(290,641)</u>
Total net assets	<b>\$</b>	<b><u>5,013,665</u></b>

Net assets	\$	5,013,665
Shares issued and outstanding <sup>(a)</sup>		250,000
Net asset value per share	\$	20.05

### COST:

Investments, at cost	\$	5,133,689
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(a) Unlimited shares authorized without par value.

# Statement of Operations

# iREIT® - MarketVector Quality REIT Index ETF

For the Period Ended January 31, 2025<sup>(a)</sup>

## INVESTMENT INCOME:

Dividend income	\$	128,642
Interest income		472
Total investment income		<u>129,114</u>

## EXPENSES:

Investment advisory fee (Note 4)		18,480
Total expenses		<u>18,480</u>
NET INVESTMENT INCOME		<u>110,634</u>

## REALIZED AND UNREALIZED GAIN (LOSS)

Net realized gain from:

Investments		3,023
Net realized gain (loss)		<u>3,023</u>

Net change in unrealized appreciation (depreciation) on:

Investments		(119,067)
Net change in unrealized appreciation (depreciation)		<u>(119,067)</u>
Net realized and unrealized gain (loss)		<u>(116,044)</u>

## NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS

\$	<u>(5,410)</u>
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(a) Inception date of the Fund was March 5, 2024.

# Statement of Changes in Net Assets

## iREIT® - MarketVector Quality REIT Index ETF

	Period ended January 31, 2025 <sup>(a)</sup>
<b>OPERATIONS:</b>	
Net investment income	\$ 110,634
Net realized gain (loss)	3,024
Net change in unrealized appreciation (depreciation)	(119,068)
Net increase (decrease) in net assets from operations	(5,410)
<b>DISTRIBUTIONS TO SHAREHOLDERS:</b>	
From earnings	(110,634)
From return of capital	(31,664)
Total distributions to shareholders	(142,298)
<b>CAPITAL TRANSACTIONS:</b>	
Subscriptions	6,872,543
Redemptions	(1,711,170)
Net increase (decrease) in net assets from capital transactions	5,161,373
<b>NET INCREASE (DECREASE) IN NET ASSETS</b>	5,013,665
<b>NET ASSETS:</b>	
Beginning of the period	—
End of the period	\$ 5,013,665
<b>SHARES TRANSACTIONS</b>	
Subscriptions	325,000
Redemptions	(75,000)
Total increase (decrease) in shares outstanding	250,000

(a) Inception date of the Fund was March 5, 2024.

## Financial Highlights

## iREIT® - MarketVector Quality REIT Index ETF

For a share outstanding throughout the period presented

	Period ended January 31, 2025 <sup>(a)</sup>
<b>PER SHARE DATA:</b>	
Net asset value, beginning of period	\$20.00
<b>INVESTMENT OPERATIONS:</b>	
Net investment income <sup>(b)</sup>	0.68
Net realized and unrealized gain (loss) on investments <sup>(c)</sup>	0.16
Total from investment operations	0.84
<b>LESS DISTRIBUTIONS FROM:</b>	
Net investment income	(0.61)
Return of capital	(0.18)
Total distributions	(0.79)
Net asset value, end of period	\$20.05
<b>TOTAL RETURN<sup>(d)</sup></b>	4.13%
<b>SUPPLEMENTAL DATA AND RATIOS:</b>	
Net assets, end of period (in thousands)	\$5,014
Ratio of expenses to average net assets <sup>(e)</sup>	0.60%
Ratio of net investment income (loss) to average net assets <sup>(e)</sup>	3.59%
Portfolio turnover rate <sup>(d)(f)</sup>	126%

(a) Inception date of the Fund was March 5, 2024.

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

(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 period, and may not reconcile with the aggregate gains and losses in the Statement of Operations due to share transactions for the period.

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

(e) Annualized for periods less than one year.

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

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

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## NOTE 1 – ORGANIZATION

The iREIT® - MarketVector Quality REIT Index ETF (the “Fund”) is a diversified series of Tidal Trust II (the “Trust”). The Trust was organized as a Delaware statutory trust on January 13, 2022 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. 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 March 5, 2024.

The investment objective of the Fund is to track the performance, before fees and expenses, of the iREIT® - MarketVector™ Quality REIT Index (the “Index”).

## 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, which may include Real Estate Investment Trusts (“REITs”), 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 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.

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.



# Notes to the Financial Statements

## iREIT® - MarketVector Quality REIT Index ETF

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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.

The following is a summary of the inputs used to value the Fund's investments as of January 31, 2025:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Investments:</u>				
Real Estate Investment Trusts	\$ 4,969,792	\$ —	\$ —	\$ 4,969,792
Money Market Funds	44,830	—	—	44,830
Total Investments	<u>\$ 5,014,622</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 5,014,622</u>

- 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% 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 registered investment company, 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, in consultation with the Board of Trustees, evaluates the costs of the excise tax relative to the benefits of retaining income and capital gains, including that such 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 January 31, 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.

- 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. 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.
- D. *Distributions to Shareholders.* Distributions to shareholders from net investment income, if any, for the Fund are declared and

# Notes to the Financial Statements

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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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of increases and decreases in net assets from operations during the reporting period. Actual results could differ from those estimates.
- F. *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. The Fund's shares will not be priced on the days on which the NYSE Arca, Inc. 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. *Reclassification of Capital Accounts.* U.S. GAAP requires that certain components of net assets relating to permanent differences be reclassified between financial and tax reporting. These reclassifications are primary due to adjustments for redemptions in-kind. These reclassifications have no effect on net assets or NAV per share. For the period ended January 31, 2025, the following reclassification adjustments were made:

<b>Paid-In Capital</b>	<b>Total Accumulated Losses</b>
\$174,597	\$(174,597)

During the year ended January 31, 2025, the Fund realized \$174,597 in net capital gains resulting from in-kind redemptions, in which Account Participants exchanged Fund shares for securities held by the Fund rather than for cash. Because such gains are not taxable to the Fund, and are not distributed to shareholders, they have been reclassified from distributable earnings to paid-in capital.

- I. *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 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

- A. *REIT Risk.* A REIT is a company that owns or finances income-producing real estate and meets certain requirements under the Internal Revenue Code of 1986, as amended (the "Code"), as more fully described in the Fund's Statement of Additional Information ("SAI"). Through its investments in REITs, the Fund is subject to the risks of investing in the real estate market, including decreases in property revenues, increases in interest rates, increases in property taxes and operating expenses, legal and regulatory changes, a lack of credit or capital, defaults by borrowers or tenants, environmental problems and natural disasters.

REITs are subject to additional risks, including those related to adverse governmental actions; declines in property value and the real estate market; the potential failure to qualify for tax-free pass through of income; and exemption from registration as an investment company. REITs are dependent upon specialized management skills and may invest in relatively few properties, a small geographic area, or a small number of property types. As a result, investments in REITs may be volatile. To the extent the Fund invests in REITs concentrated in specific geographic areas or property types, the Fund may be subject to a greater

January 31, 2025

loss as a result of adverse developments affecting such area or property types. REITs are pooled investment vehicles with their own fees and expenses and the Fund will indirectly bear a proportionate share of those fees and expenses.

- B. *Real Estate Securities Risk.* Adverse economic, business or political developments affecting real estate could have a major effect on the value of the Fund's investments in residential REITs and real estate-related securities. Investing in residential REITs and real estate related securities may subject the Fund to risks associated with the direct ownership of real estate. Changes in interest rates may also affect the value of the Fund's investment in residential REITs and real estate-related securities. Real estate investments are dependent upon specialized management skills, have limited diversification and are, therefore, subject to risks inherent in operating and financing a limited number of projects. Real estate investments are also subject to heavy cash flow dependency and defaults by borrowers.
- C. *Concentration Risk.* The Fund's investments will be concentrated in the real estate industry. As a result, the value of Shares may rise and fall more than the value of shares that invest in securities of companies in a broader range of industries.

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, subject to the supervision of the Board.

Pursuant to the Advisory Agreement, the Fund pays the Adviser a unitary management fee (the "Investment Advisory Fee") based on the average daily net assets of the Fund at the annualized rate of 0.60%. 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 monthly to the Adviser. Investment Advisory Fees for the period ended January 31, 2025 are disclosed in the Statement of Operations.

The Adviser has entered into an agreement with Moat Indexes, LLC ("Moat") under which Moat assumes all or a portion of the obligation of the Adviser to pay all expenses of the Fund, except Excluded Expenses (such expenses of the Fund, except Excluded Expenses, the "Unitary Expenses"). Although Moat has agreed to be responsible for all of the Unitary Expenses, the Adviser retains the ultimate obligation to the Fund to pay such expenses. Moat will also provide marketing support for the Fund, including hosting the Fund's website and preparing marketing materials related to the Fund. For these services and payments, in exchange for these assumptions and services, Moat will receive all of the profits, if any, generated by the Fund's unitary management fee less a contractual fee retained by the Adviser. Moat does not make investment decisions, provide investment advice, or otherwise act in the capacity of an investment adviser to the Fund.

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. As compensation for the services it provides, Tidal receives a fee based on the Fund's average daily net assets, subject to a minimum annual fee. Tidal also is entitled to certain out-of-pocket expenses for the services mentioned above.

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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. 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.

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 January 31, 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 \$4,606,969 and \$4,847,747, respectively.

For the period ended January 31, 2025, there were no purchases or sales of long-term U.S. government securities.

For the period ended January 31, 2025, in-kind transactions associated with creations and redemptions for the Fund were \$6,831,495 and \$1,481,287, respectively.

### NOTE 7 – INCOME TAXES AND DISTRIBUTIONS TO SHAREHOLDERS

The tax character of distributions paid during the fiscal period ended January 31, 2025, were as follows:

<u>Distributions paid from:</u>	<u>January 31, 2025</u>
Ordinary Income	\$110,634

# Notes to the Financial Statements

## iREIT® - MarketVector Quality REIT Index ETF

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Return of Capital

\$31,664

As of January 31, 2025, the components of accumulated losses on a tax basis were as follows:

Investments, at cost <sup>(a)</sup>	\$5,154,528
Gross tax unrealized appreciation	137,238
Gross tax unrealized depreciation	(277,144)
Net tax unrealized appreciation (depreciation)	(139,906)
Undistributed ordinary income (loss)	—
Undistributed long-term capital gain (loss)	—
Total accumulated losses	—
Other accumulated gain (loss)	(150,735)
Total accumulated losses	\$(290,641)

<sup>(a)</sup> The difference between book and tax-basis unrealized appreciation is primarily due to the treatment of wash sales.

Net capital losses incurred after October 31 (post-October losses) and net investment losses incurred after December 31 (late-year losses), and within the taxable year, may be elected to be deferred to the first business day of the Fund's next taxable year. As of the most recent fiscal period ended January 31, 2025, the Fund did not elect to defer any post-October losses or late-year losses.

As of the most recent fiscal period ended January 31, 2025, the Fund did not have long-term capital loss carryovers and had \$150,735 of short-term capital loss carryovers, which do not expire.

### 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, 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 are imposed to compensate the Fund for transaction costs associated with the cash transactions. 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.

January 31, 2025

**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, 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 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.

# Report of Independent Registered Public Accounting Firm

# iREIT® - MarketVector Quality REIT Index ETF

To the Shareholders of iREIT – MarketVector Quality REIT Index ETF and

Board of Trustees of Tidal Trust II

## Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities, including the schedule of investments, of iREIT – MarketVector Quality REIT Index ETF (the “Fund”), a series of Tidal Trust II, as of January 31, 2025, the related statements of operations and changes in net assets and the financial highlights for the period from March 5, 2024 (commencement of operations) through January 31, 2025, and the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as of January 31, 2025, the results of its operations, the changes in net assets, and the financial highlights for the period indicated above, in conformity with accounting principles generally accepted in the United States of America.

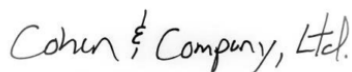
## Basis for Opinion

These financial statements are the responsibility of the Fund’s management. Our responsibility is to express an opinion on the Fund’s financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Fund in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement whether due to error or fraud.

Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of January 31, 2025, by correspondence with the custodian. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

We have served as the auditor of one or more Tidal Investments LLC investment companies since 2020.



COHEN & COMPANY, LTD.

Philadelphia, Pennsylvania

March 28, 2025

**QUALIFIED DIVIDEND INCOME/DIVIDENDS RECEIVED DEDUCTION**

For the period ended January 31, 2025, certain dividends paid by the Fund may be subject to a maximum tax rate of 23.8%, as provided for by the Jobs and Growth Tax Relief Reconciliation Act of 2003 and the Tax Cuts and Jobs Act of 2017. The percentage of dividends declared from ordinary income designated as qualified dividend income was as follows:

iREIT® - MarketVector Quality REIT Index ETF	10.95%
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For corporate shareholders, the percent of ordinary income distributions qualifying for the corporate dividends received deduction for the period ended January 31, 2025, was as follows:

iREIT® - MarketVector Quality REIT Index ETF	11.65%
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The percentage of taxable ordinary income distributions that are designated as short-term capital gain distributions under Internal Revenue Section 871(k)(2)(c) for the period ended January 31, 2025, was as follows:

iREIT® - MarketVector Quality REIT Index ETF	0.00%
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## Form N-CSR Items 8-11

### **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.**

Not Applicable.