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**Impact Shares YWCA Women’s Empowerment ETF (ticker: WOMN)**  
**Impact Shares NAACP Minority Empowerment ETF (ticker: NACP)**

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## **Core Financial Statements**

June 30, 2024

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## Tidal Trust III

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Each Fund files its complete schedule of Fund holdings for the first and third quarters of each fiscal year or as an exhibit to its reports on Form N-PORT. Each Fund's Form N-PORT is available on the Trust's website at <https://impactetfs.org>.

A description of the policies and procedures that Impact Shares, Corp. uses to determine how to vote proxies relating to Fund securities, as well as information relating to how a Fund voted proxies relating to Fund securities during the most recent 12-month period ended June 30, is available (i) without charge, upon request, by calling 1-844-448-3383; and (ii) on the Trust's website at <https://impactetfs.org/etfs/proxy-voting-class-actions>.

# Tidal Trust III Impact Shares YWCA Women's Empowerment ETF

## Schedule of Investments

June 30, 2024

Description	Shares	Fair Value	Description	Shares	Fair Value
<b>COMMON STOCK — 100.1%</b>			<b>Bank of New York Mellon . . .</b>		
<b>Communication Services— 7.6%</b>			<b>BlackRock, CI A . . . . .</b>		
Electronic Arts . . . . .	637 \$	88,753	<b>Capital One Financial . . . . .</b>		
Interpublic Group . . . . .	1,019	29,643	<b>Citigroup . . . . .</b>		
Meta Platforms, CI A . . . . .	5,622	2,834,725	<b>Citizens Financial Group . . .</b>		
Netflix* . . . . .	655	442,047	<b>Fifth Third Bancorp . . . . .</b>		
Omnicom Group . . . . .	530	47,541	<b>Hartford Financial Services</b>		
Pinterest, CI A* . . . . .	1,477	65,091	<b>Group . . . . .</b>		
T-Mobile US . . . . .	1,158	204,016	<b>Huntington Bancshares . . . .</b>		
Verizon Communications . . .	12,240	504,778	<b>Mastercard, CI A . . . . .</b>		
		<u>4,216,594</u>	<b>MetLife . . . . .</b>		
<b>Consumer Discretionary— 11.0%</b>			<b>Moody's. . . . .</b>		
Amazon.com* . . . . .	15,443	2,984,360	<b>Morgan Stanley . . . . .</b>		
Best Buy . . . . .	1,037	87,409	<b>Northern Trust. . . . .</b>		
Deckers Outdoor* . . . . .	166	160,680	<b>Principal Financial Group . . .</b>		
DoorDash, CI A* . . . . .	783	85,175	<b>Progressive . . . . .</b>		
eBay . . . . .	3,151	169,271	<b>Prudential Financial . . . . .</b>		
Expedia Group* . . . . .	641	80,759	<b>Raymond James Financial . .</b>		
Ford Motor . . . . .	23,606	296,019	<b>Regions Financial. . . . .</b>		
General Motors . . . . .	6,248	290,282	<b>S&amp;P Global . . . . .</b>		
McDonald's. . . . .	4,326	1,102,438	<b>State Street . . . . .</b>		
Service International . . . . .	808	57,473	<b>Synchrony Financial . . . . .</b>		
Starbucks . . . . .	6,712	522,529	<b>T Rowe Price Group . . . . .</b>		
Williams-Sonoma . . . . .	322	90,923	<b>US Bancorp . . . . .</b>		
Yum! Brands . . . . .	1,680	222,533	<b>Visa, CI A . . . . .</b>		
		<u>6,149,851</u>	<b>Wells Fargo . . . . .</b>		
<b>Consumer Staples— 7.8%</b>			<b>Willis Towers Watson PLC . .</b>		
Archer-Daniels-Midland . . . .	1,434	86,685			
Campbell Soup . . . . .	522	23,589	<b>Health Care— 14.8%</b>		
Church & Dwight . . . . .	634	65,733	<b>AbbVie . . . . .</b>		
Clorox . . . . .	320	43,670	<b>Agilent Technologies . . . . .</b>		
Coca-Cola . . . . .	11,030	702,059	<b>Amgen . . . . .</b>		
Colgate-Palmolive . . . . .	2,184	211,935	<b>Biogen* . . . . .</b>		
Conagra Brands. . . . .	1,251	35,554	<b>BioMarin Pharmaceutical*. . .</b>		
General Mills . . . . .	1,550	98,053	<b>Cardinal Health . . . . .</b>		
Hershey . . . . .	382	70,223	<b>Cigna Group . . . . .</b>		
J M Smucker . . . . .	277	30,204	<b>Elevance Health . . . . .</b>		
Kellanova . . . . .	674	38,877	<b>Eli Lilly. . . . .</b>		
Kimberly-Clark. . . . .	883	122,031	<b>Gilead Sciences. . . . .</b>		
Kraft Heinz . . . . .	2,562	82,548	<b>Johnson &amp; Johnson . . . . .</b>		
Kroger . . . . .	1,881	93,918	<b>Merck . . . . .</b>		
Molson Coors Beverage, CI B	491	24,958	<b>Regeneron Pharmaceuticals*</b>		
Mondelez International, CI A .	3,853	252,140	<b>UnitedHealth Group . . . . .</b>		
PepsiCo. . . . .	4,097	675,718	<b>Vertex Pharmaceuticals* . . .</b>		
Procter & Gamble . . . . .	6,591	1,086,988			
Target . . . . .	1,427	211,253	<b>Industrials— 8.0%</b>		
Walmart . . . . .	5,984	405,177	<b>Automatic Data Processing. .</b>		
		<u>4,361,313</u>	<b>Booz Allen Hamilton Holding,</b>		
<b>Energy— 5.9%</b>			<b>CI A. . . . .</b>		
Baker Hughes, CI A . . . . .	2,784	97,913	<b>Carrier Global . . . . .</b>		
Chevron. . . . .	5,466	854,992	<b>Cummins . . . . .</b>		
ConocoPhillips . . . . .	3,391	387,863	<b>Delta Air Lines. . . . .</b>		
Exxon Mobil . . . . .	13,373	1,539,500	<b>Eaton PLC . . . . .</b>		
Occidental Petroleum . . . . .	1,768	111,437	<b>Emerson Electric . . . . .</b>		
Phillips 66 . . . . .	1,125	158,816	<b>Fortive . . . . .</b>		
Williams . . . . .	3,129	132,982	<b>General Electric . . . . .</b>		
		<u>3,283,503</u>	<b>Ingersoll Rand . . . . .</b>		
<b>Financials— 13.7%</b>			<b>Johnson Controls International</b>		
Allstate . . . . .	693	110,645	<b>PLC . . . . .</b>		
American Express. . . . .	1,746	404,286	<b>Norfolk Southern . . . . .</b>		
American International Group	1,864	138,383	<b>Owens Corning . . . . .</b>		
Ameriprise Financial . . . . .	273	116,623	<b>Paychex . . . . .</b>		
Bank of America . . . . .	19,462	774,004	<b>Pentair PLC . . . . .</b>		
			<b>Republic Services, CI A . . . .</b>		
			<b>Rockwell Automation . . . . .</b>		
			<b>Stanley Black &amp; Decker . . . .</b>		
			<b>Trane Technologies PLC . . . .</b>		
			<b>TransUnion. . . . .</b>		
			<b>Uber Technologies* . . . . .</b>		
			<b>Union Pacific. . . . .</b>		
			<b>1,775</b>		
			<b>825,183</b>		
			<b>69,093</b>		
			<b>472,424</b>		
			<b>87,164</b>		
			<b>40,177</b>		
			<b>67,054</b>		
			<b>274,373</b>		
			<b>360,879</b>		
			<b>2,029,862</b>		
			<b>242,605</b>		
			<b>1,005,727</b>		
			<b>852,115</b>		
			<b>303,748</b>		
			<b>1,321,021</b>		
			<b>334,666</b>		
			<b>8,286,091</b>		
			<b>274,971</b>		
			<b>52,172</b>		
			<b>135,244</b>		
			<b>105,233</b>		
			<b>79,510</b>		
			<b>359,955</b>		
			<b>169,977</b>		
			<b>141,012</b>		
			<b>502,663</b>		
			<b>94,383</b>		
			<b>119,646</b>		
			<b>129,458</b>		
			<b>42,214</b>		
			<b>97,694</b>		
			<b>33,122</b>		
			<b>101,834</b>		
			<b>81,758</b>		
			<b>30,438</b>		
			<b>209,528</b>		
			<b>37,228</b>		
			<b>730,725</b>		
			<b>401,611</b>		

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

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# Tidal Trust III Impact Shares YWCA Women's Empowerment ETF

## Schedule of Investments

June 30, 2024

Description	Shares	Fair Value
Verisk Analytics, CI A . . . . .	365	\$ 98,386
Waste Management . . . . .	1,097	234,034
WW Grainger . . . . .	114	102,855
Xylem . . . . .	638	86,532
		4,452,183
Information Technology <sup>††</sup> — 25.9%		
Accenture PLC, CI A . . . . .	3,508	1,064,362
Adobe* . . . . .	2,452	1,362,184
ANSYS* . . . . .	454	145,961
Apple . . . . .	13,529	2,849,478
Autodesk* . . . . .	1,103	272,937
Cisco Systems . . . . .	23,301	1,107,030
Hewlett Packard Enterprise . . . . .	5,899	124,882
HP . . . . .	5,819	203,781
HubSpot* . . . . .	307	181,066
International Business Machines . . . . .	5,130	887,234
Intuit . . . . .	1,539	1,011,446
Keysight Technologies* . . . . .	937	128,135
Microsoft . . . . .	3,668	1,639,413
Monolithic Power Systems . . . . .	226	185,700
Motorola Solutions . . . . .	911	351,692
Okta, CI A* . . . . .	821	76,854
Salesforce . . . . .	5,283	1,358,259
ServiceNow* . . . . .	1,061	834,657
TE Connectivity . . . . .	1,736	261,146
Tyler Technologies* . . . . .	226	113,628
Workday, CI A* . . . . .	1,211	270,731
		14,430,576
Materials— 1.5%		
Air Products and Chemicals . . . . .	576	148,637
Celanese, CI A . . . . .	259	34,937
Corteva . . . . .	1,870	100,868
Dow . . . . .	1,844	97,824
DuPont de Nemours . . . . .	1,072	86,285
Ecolab . . . . .	645	153,510
Newmont . . . . .	2,961	123,977
PPG Industries . . . . .	615	77,422
		823,460
Real Estate— 1.9%		
American Tower, CI A <sup>†</sup> . . . . .	1,332	258,914
CBRE Group, CI A* . . . . .	822	73,248
Equinix <sup>†</sup> . . . . .	275	208,065
Equity LifeStyle Properties <sup>†</sup> . . . . .	455	29,634
Essex Property Trust <sup>†</sup> . . . . .	163	44,369
Host Hotels & Resorts <sup>†</sup> . . . . .	1,864	33,515
Invitation Homes <sup>†</sup> . . . . .	1,491	53,512
Iron Mountain <sup>†</sup> . . . . .	761	68,201
Rexford Industrial Realty <sup>†</sup> . . . . .	520	23,187
Ventas <sup>†</sup> . . . . .	1,045	53,566
Welltower <sup>†</sup> . . . . .	1,607	167,530
Zillow Group, CI A* . . . . .	143	6,441
Zillow Group, CI C* . . . . .	414	19,205
		1,039,387
Utilities— 2.0%		
Alliant Energy . . . . .	678	34,510
American Electric Power . . . . .	1,396	122,485
American Water Works . . . . .	474	61,222
Avangrid . . . . .	184	6,538
CenterPoint Energy . . . . .	1,646	50,993
CMS Energy . . . . .	754	44,885
Consolidated Edison . . . . .	923	82,535
Edison International . . . . .	1,000	71,810
Entergy . . . . .	575	61,525
Exelon . . . . .	2,868	99,261

Description	Shares	Fair Value
NiSource . . . . .	1,067	\$ 30,740
PG&E . . . . .	5,585	97,514
Pinnacle West Capital . . . . .	297	22,685
PPL . . . . .	1,926	53,254
Public Service Enterprise Group . . . . .	1,281	94,410
Sempra . . . . .	1,648	125,347
Vistra . . . . .	974	83,745
		1,143,459
Total Common Stock (Cost \$45,883,598) . . . . .		55,857,184
SHORT-TERM INVESTMENT — 0.1%		
First American Government Obligations Fund, CI X, 5.230% (A) . . . . .	49,641	49,641
Total Short-Term Investment (Cost \$49,641) . . . . .		49,641
Total Investments - 100.2% (Cost \$45,933,239). . . . .		\$ 55,906,825

Percentages are based on Net Assets of \$55,779,835.

\* Non-income producing security.

† Real Estate Investment Trust

†† More narrow industries are utilized for compliance purposes whereas broad sectors are utilized for reporting purposes.

(A) Rate shown represents the 7-day effective yield as of June 30, 2024.

CI — Class

PLC — Public Limited Company

As of June 30, 2024, all of the Fund's investments were considered Level 1 in accordance with the authoritative guidance under U.S. Generally Accepted Accounting Principles.

For more information on valuation inputs, see Note 2 in Notes to Financial Statements.

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

# Tidal Trust III Impact Shares NAACP Minority Empowerment ETF

## Schedule of Investments

June 30, 2024

Description	Shares	Fair Value	Description	Shares	Fair Value
<b>COMMON STOCK — 99.6%</b>					
<b>Communication Services— 13.3%</b>					
Alphabet, Cl A . . . . .	7,767	\$ 1,414,759	Moody's . . . . .	262	\$ 110,284
Alphabet, Cl C . . . . .	6,909	1,267,249	Morgan Stanley . . . . .	2,507	243,655
AT&T . . . . .	12,382	236,620	Nasdaq . . . . .	568	34,228
Electronic Arts . . . . .	1,653	230,312	PNC Financial Services Group . . . . .	672	104,483
Interpublic Group . . . . .	2,376	69,118	Principal Financial Group . . . . .	203	15,925
Meta Platforms, Cl A . . . . .	3,677	1,854,017	Regions Financial . . . . .	1,551	31,082
Verizon Communications . . . . .	29,296	1,208,167	S&P Global . . . . .	624	278,304
			Synchrony Financial . . . . .	745	35,157
			Travelers . . . . .	390	79,303
			Visa, Cl A . . . . .	3,083	809,195
		<u>6,280,242</u>			<u>5,198,606</u>
<b>Consumer Discretionary— 7.5%</b>			<b>Health Care— 10.6%</b>		
Amazon.com* . . . . .	13,499	2,608,682	Abbott Laboratories . . . . .	3,370	350,177
BorgWarner . . . . .	397	12,799	AbbVie . . . . .	3,328	570,819
eBay . . . . .	895	48,079	Agilent Technologies . . . . .	491	63,648
Ford Motor . . . . .	6,579	82,501	Becton Dickinson . . . . .	476	111,246
General Motors . . . . .	1,824	84,743	Boston Scientific* . . . . .	2,807	216,167
Hilton Worldwide Holdings . . . . .	387	84,443	Cigna Group . . . . .	579	191,400
Lowe's . . . . .	1,158	255,293	Danaher . . . . .	1,290	322,307
Marriott International, Cl A . . . . .	525	126,929	Edwards Lifesciences* . . . . .	1,025	94,679
MercadoLibre* . . . . .	104	170,914	Elevance Health . . . . .	464	251,423
Royal Caribbean Cruises* . . . . .	369	58,830	Gilead Sciences . . . . .	2,363	162,125
			GRAIL* . . . . .	44	674
		<u>3,533,213</u>	Johnson & Johnson . . . . .	4,740	692,798
<b>Consumer Staples— 3.8%</b>			Labcorp Holdings . . . . .	148	30,120
Archer-Daniels-Midland . . . . .	909	54,949	Merck . . . . .	4,732	585,822
Bunge Global . . . . .	250	26,692	Quest Diagnostics . . . . .	189	25,870
Campbell Soup . . . . .	336	15,184	ResMed . . . . .	244	46,706
Coca-Cola . . . . .	7,657	487,368	Thermo Fisher Scientific . . . . .	728	402,584
Hershey . . . . .	240	44,119	UnitedHealth Group . . . . .	1,786	909,538
J M Smucker . . . . .	178	19,409			<u>5,028,103</u>
Kellanova . . . . .	429	24,745	<b>Industrials— 10.2%</b>		
Kraft Heinz . . . . .	1,671	53,840	AECOM . . . . .	236	20,801
Kroger . . . . .	1,227	61,264	AMETEK . . . . .	384	64,017
Molson Coors Beverage, Cl B . . . . .	311	15,808	Automatic Data Processing . . . . .	843	201,216
Mondelez International, Cl A . . . . .	2,774	181,531	Boeing* . . . . .	1,212	220,596
PepsiCo . . . . .	2,815	464,278	Booz Allen Hamilton Holding, Cl A . . . . .	218	33,550
US Foods Holding* . . . . .	351	18,596	CSX . . . . .	3,488	116,673
Walmart . . . . .	5,253	355,681	Cummins . . . . .	234	64,802
			Deere . . . . .	519	193,914
		<u>1,823,464</u>	Delta Air Lines . . . . .	1,069	50,713
<b>Energy— 5.7%</b>			Eaton PLC . . . . .	804	252,094
Cheniere Energy . . . . .	414	72,380	Emerson Electric . . . . .	1,145	126,133
Chevron . . . . .	3,753	587,044	Expeditors International of Washington . . . . .	263	32,820
ConocoPhillips . . . . .	2,323	265,705	FedEx . . . . .	464	139,126
Devon Energy . . . . .	1,085	51,429	Ferguson PLC . . . . .	369	71,457
Exxon Mobil . . . . .	9,214	1,060,716	General Electric . . . . .	2,200	349,734
Hess . . . . .	511	75,383	Honeywell International . . . . .	1,261	269,274
Kinder Morgan . . . . .	3,288	65,333	Howmet Aerospace . . . . .	718	55,738
Marathon Petroleum . . . . .	759	131,671	Hubbell, Cl B . . . . .	76	27,777
ONEOK . . . . .	960	78,288	Illinois Tool Works . . . . .	525	124,404
Phillips 66 . . . . .	908	128,182	Ingersoll Rand . . . . .	618	56,139
Valero Energy . . . . .	565	88,569	JB Hunt Transport Services . . . . .	139	22,240
Williams . . . . .	2,023	85,977	Johnson Controls International PLC . . . . .	1,166	77,504
		<u>2,690,677</u>	L3Harris Technologies . . . . .	337	75,683
<b>Financials— 11.0%</b>			Lennox International . . . . .	55	29,424
American Express . . . . .	1,213	280,870	Lincoln Electric Holdings . . . . .	98	18,487
Aon PLC, Cl A . . . . .	345	101,285	Nordson . . . . .	91	21,107
Bank of America . . . . .	13,385	532,321	Northrop Grumman . . . . .	306	133,401
Bank of New York Mellon . . . . .	1,225	73,365	Otis Worldwide . . . . .	666	64,109
Charles Schwab . . . . .	2,883	212,448	Owens Corning . . . . .	133	23,105
Citigroup . . . . .	3,878	246,098	Rockwell Automation . . . . .	193	53,129
Huntington Bancshares . . . . .	2,388	31,474	Textron . . . . .	344	29,536
JPMorgan Chase . . . . .	5,873	1,187,873	Trane Technologies PLC . . . . .	433	142,426
Mastercard, Cl A . . . . .	1,620	714,679	Uber Technologies* . . . . .	16,441	1,194,932
MetLife . . . . .	1,091	76,577	Union Pacific . . . . .	1,204	272,417
			United Airlines Holdings* . . . . .	547	26,617

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

# Tidal Trust III Impact Shares NAACP Minority Empowerment ETF

## Schedule of Investments

### June 30, 2024

Description	Shares	Fair Value
United Rentals . . . . .	119	\$ 76,961
Verisk Analytics, CI A . . . . .	242	65,231
Xylem . . . . .	404	54,794
		4,852,081
Information Technology <sup>††</sup> — 32.6%		
Accenture PLC, CI A . . . . .	5,744	1,742,787
Apple . . . . .	11,836	2,492,898
Dell Technologies, CI C . . . . .	2,632	362,979
HP . . . . .	9,323	326,492
International Business Machines . . . . .	8,402	1,453,126
Micron Technology . . . . .	9,073	1,193,372
Microsoft . . . . .	5,932	2,651,307
NVIDIA . . . . .	18,943	2,340,218
Palo Alto Networks* . . . . .	2,770	939,058
QUALCOMM . . . . .	9,775	1,946,984
		15,449,221
Materials— 1.2%		
CF Industries Holdings . . . . .	325	24,089
DuPont de Nemours . . . . .	823	66,243
Eastman Chemical . . . . .	200	19,594
Ecolab . . . . .	412	98,056
Freeport-McMoRan, CI B . . . . .	3,100	150,660
Martin Marietta Materials . . . . .	104	56,347
Mosaic . . . . .	567	16,386
PPG Industries . . . . .	393	49,475
Southern Copper . . . . .	145	15,622
Vulcan Materials . . . . .	221	54,959
		551,431
Real Estate— 0.7%		
AvalonBay Communities <sup>†</sup> . . . . .	232	47,999
Crown Castle <sup>†</sup> . . . . .	713	69,660
Equinix <sup>†</sup> . . . . .	192	145,267
Regency Centers <sup>†</sup> . . . . .	255	15,861
SBA Communications, CI A <sup>†</sup> . . . . .	170	33,371
		312,158
Utilities— 3.0%		
Alliant Energy . . . . .	414	21,073
American Electric Power . . . . .	867	76,071
CMS Energy . . . . .	483	28,753
Consolidated Edison . . . . .	587	52,489
DTE Energy . . . . .	323	35,856
Duke Energy . . . . .	1,585	158,865
Edison International . . . . .	636	45,671
Entergy . . . . .	336	35,952
Exelon . . . . .	1,871	64,755
FirstEnergy . . . . .	902	34,519
NextEra Energy . . . . .	4,458	315,671
NiSource . . . . .	679	19,562
NRG Energy . . . . .	383	29,820
PG&E . . . . .	2,226	38,866
PPL . . . . .	1,224	33,844
Public Service Enterprise Group . . . . .	831	61,245
Sempra . . . . .	1,048	79,711
Southern . . . . .	2,229	172,903
Vistra . . . . .	616	52,964
WEC Energy Group . . . . .	526	41,270
		1,399,860
Total Common Stock (Cost \$36,725,873) . . . . .		47,119,056

Description	Shares	Fair Value
SHORT-TERM INVESTMENT — 0.7%		
First American Government Obligations Fund, CI X, 5.230% (A) . . . . .	335,277	\$ 335,277
Total Short-Term Investment (Cost \$335,277) . . . . .		335,277
Total Investments - 100.3% (Cost \$37,061,150) . . . . .		\$ 47,454,333

Percentages are based on Net Assets of \$47,335,708.

- \* Non-income producing security.
- † Real Estate Investment Trust
- †† More narrow industries are utilized for compliance purposes whereas broad sectors are utilized for reporting purposes.
- (A) Rate shown represents the 7-day effective yield as of June 30, 2024.

CI — Class  
PLC — Public Limited Company

As of June 30, 2024, all of the Fund's investments were considered Level 1 in accordance with the authoritative guidance under U.S. Generally Accepted Accounting Principles.

For more information on valuation inputs, see Note 2 in Notes to Financial Statements.

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

**Tidal Trust III**  
**Statements of Assets and Liabilities**  
June 30, 2024

	<b>Impact Shares YWCA Women's Empowerment ETF</b>	<b>Impact Shares NAACP Minority Empowerment ETF</b>
<b>Assets:</b>		
Investments, at Cost .....	\$ 45,933,239	\$ 37,061,150
Investments, at Fair Value .....	\$55,906,825	\$ 47,454,333
Dividends Receivable .....	33,080	18,970
Reclaims Receivable .....	1,650	1,457
<b>Total Assets</b> .....	<b>55,941,555</b>	<b>47,474,760</b>
<b>Liabilities:</b>		
Income Distributions Payable .....	127,773	120,342
Advisory Fees Payable .....	33,848	18,649
Due to Custodian .....	99	61
<b>Total Liabilities</b> .....	<b>161,720</b>	<b>139,052</b>
<b>Net Assets</b> .....	<b>\$ 55,779,835</b>	<b>\$ 47,335,708</b>
<b>Net Assets Consist of:</b>		
Paid-in Capital .....	\$ 46,579,113	\$ 36,045,599
Total Distributable Earnings .....	9,200,722	11,290,109
<b>Net Assets</b> .....	<b>\$ 55,779,835</b>	<b>\$ 47,335,708</b>
Outstanding Shares of Beneficial Interest (unlimited authorization — no par value) .....	1,550,000	1,200,000
Net Asset Value, Offering and Redemption Price Per Share .....	<b>\$ 35.99</b>	<b>\$ 39.45</b>

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

**Tidal Trust III**  
**Statements of Operations**  
For the year ended June 30, 2024

	Impact Shares YWCA Women's Empowerment ETF	Impact Shares NAACP Minority Empowerment ETF
<b>Investment Income:</b>		
Dividend Income.....	\$ 826,700	\$ 730,784
Less: Foreign Taxes Withheld .....	(316)	(279)
<b>Total Investment Income.....</b>	<u>826,384</u>	<u>730,505</u>
<b>Expenses:</b>		
Advisory Fees .....	353,066	209,971
<b>Total Expenses.....</b>	<u>353,066</u>	<u>209,971</u>
<b>Net Investment Income.....</b>	<u>473,318</u>	<u>520,534</u>
<b>Net Realized Gain (Loss) on:</b>		
Investments <sup>(1)</sup> .....	1,584,468	5,309,953
<b>Net Realized Gain (Loss) .....</b>	<u>1,584,468</u>	<u>5,309,953</u>
<b>Net Change in Unrealized Appreciation (Depreciation):</b>		
Investments .....	6,463,564	4,277,608
<b>Net Change in Unrealized Appreciation (Depreciation) .....</b>	<u>6,463,564</u>	<u>4,277,608</u>
<b>Net Realized and Unrealized Gain (Loss) .....</b>	<u>8,048,032</u>	<u>9,587,561</u>
<b>Net Increase in Net Assets Resulting from Operations .....</b>	<u>\$ 8,521,350</u>	<u>\$ 10,108,095</u>

(1) Includes realized gain (loss) as a result on in-kind redemptions. (See Note 4 in Notes to Financial Statements.)



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## Tidal Trust III

### Statements of Changes in Net Assets

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	<b>Impact Shares YWCA Women's Empowerment ETF</b>	
	<b>Year ended June 30, 2024</b>	<b>Year ended June 30, 2023</b>
<b>Operations:</b>		
Net Investment Income.....	\$ 473,318	\$ 414,055
Net Realized Gain (Loss) .....	1,584,468	(1,160,321)
Net Change in Unrealized Appreciation (Depreciation).....	<u>6,463,564</u>	<u>6,996,026</u>
<b>Net Increase in Net Assets Resulting from Operations.....</b>	<u>8,521,350</u>	<u>6,249,760</u>
<b>Distributions:</b> .....	<u>(849,726)</u>	<u>(2,789,774)</u>
<b>Capital Share Transactions:</b>		
Issued.....	9,083,277	7,770,799
Redeemed.....	<u>(1,562,658)</u>	<u>(711,911)</u>
<b>Increase in Net Assets from Capital Share Transactions.....</b>	<u>7,520,619</u>	<u>7,058,888</u>
<b>Total Increase in Net Assets .....</b>	<u>15,192,243</u>	<u>10,518,874</u>
<b>Net Assets:</b>		
Beginning of Year.....	<u>40,587,592</u>	<u>30,068,718</u>
End of Year.....	<u>\$ 55,779,835</u>	<u>\$ 40,587,592</u>
<b>Share Transactions:</b>		
Issued.....	275,000	275,000
Redeemed.....	<u>(50,001)</u>	<u>(25,000)</u>
<b>Net Increase in Shares Outstanding from Share Transactions .....</b>	<u>224,999</u>	<u>250,000</u>

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

## Tidal Trust III

### Statements of Changes in Net Assets

	Impact Shares NAACP Minority Empowerment ETF	
	Year ended June 30, 2024	Year ended June 30, 2023
<b>Operations:</b>		
Net Investment Income .....	\$ 520,534	\$ 539,678
Net Realized Gain (Loss) .....	5,309,953	(1,276,038)
Net Change in Unrealized Appreciation (Depreciation).....	4,277,608	7,600,128
<b>Net Increase in Net Assets Resulting from Operations</b> .....	<b>10,108,095</b>	<b>6,863,768</b>
<b>Distributions:</b> .....	<b>(527,702)</b>	<b>(1,399,198)</b>
<b>Capital Share Transactions:</b>		
Issued.....	1,905,221	4,349,942
Redeemed.....	(9,200,860)	-
<b>Increase (Decrease) in Net Assets from Capital Share Transactions</b> .....	<b>(7,295,639)</b>	<b>4,349,942</b>
<b>Total Increase in Net Assets</b> .....	<b>2,284,754</b>	<b>9,814,512</b>
<b>Net Assets:</b>		
Beginning of Year.....	45,050,954	35,236,442
End of Year .....	<b>\$ 47,335,708</b>	<b>\$ 45,050,954</b>
<b>Share Transactions:</b>		
Issued.....	50,000	150,000
Redeemed.....	(275,000)	-
<b>Net Increase (Decrease) in Shares Outstanding from Share Transactions</b> .....	<b>(225,000)</b>	<b>150,000</b>

Amounts designated as "-" are \$0.

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

# Tidal Trust III

## Financial Highlights

**Selected Per Share Data & Ratios**  
**For the year ended June 30,**  
**For a Share Outstanding Throughout the Year**

	Net Asset Value, Beginning of Year (\$)	Net Investment Income (\$)*	Net Realized and Unrealized Gain (Loss) on Investments (\$)	Total from Operations (\$)	Distributions from Net Investment Income (\$)	Distributions from Net Realized Capital Gains (\$)	Total Distributions (\$)	Net Asset Value, End of Year (\$)	Market Price, End of Year (Unaudited) (\$)	Total Return(%) <sup>(1)</sup>	Net Assets End of Year (\$ (000))	Ratio of Expenses to Average Net Assets (%)	Ratio of Net Investment Income to Average Net Assets (%)	Portfolio Turnover Rate (%) <sup>(2)</sup>
<b>Impact Shares YWCA Women's Empowerment ETF</b>														
2024	30.63	0.33	5.63	5.96	(0.33)	(0.27)	(0.60)	35.99	36.02	19.64	55,780	0.75	1.01	33
2023	27.97	0.35	4.63	4.98	(0.34)	(1.98)	(2.32)	30.63	30.67	19.16	40,588	0.75	1.22	17
2022	32.85	0.27	(3.99)	(3.72)	(0.27)	(0.89)	(1.16)	27.97	27.92	(11.98)	30,069	0.75	0.83	36
2021	22.81	0.21	11.59	11.80	(0.47)	(1.29)	(1.76)	32.85	32.88	52.85	29,562	0.75 <sup>(3)</sup>	0.73	39
2020	20.63	0.28	2.16	2.44	(0.26)	—	(0.26)	22.81	22.77	11.92	7,414	0.75 <sup>(4)</sup>	1.30	47
<b>Impact Shares NAACP Minority Empowerment ETF</b>														
2024	31.61	0.42	7.86	8.28	(0.44)	—	(0.44)	39.45	39.49	26.38	47,336	0.49	1.22	37
2023	27.64	0.40	4.63	5.03	(0.40)	(0.66)	(1.06)	31.61	31.65	18.90	45,051	0.49	1.41	9
2022	32.69	0.33	(4.25)	(3.92)	(0.32)	(0.81)	(1.13)	27.64	27.70	(12.70)	35,236	0.49	1.00	35
2021	23.17	0.30	9.68	9.98	(0.35)	(0.11)	(0.46)	32.69	32.76	43.35	31,875	0.50 <sup>(5)</sup>	1.03	49
2020	21.16	0.28	1.97	2.25	(0.24)	—	(0.24)	23.17	23.23	10.71	5,792	0.75 <sup>(4)</sup>	1.27	25

Amounts designated as “-“ are \$0.

\* Per share data calculated using average shares method.

(1) Total return is based on the change in net asset value of a share during the year or period and assumes reinvestment of dividends and distributions at net asset value. The return shown does not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares.

(2) Portfolio turnover rate is for the period indicated and has not been annualized. Excludes effect of in-kind transfers.

(3) The ratio of Expenses to Average Net Assets includes the voluntary expense reimbursements. If these reimbursements were excluded, the ratio would have been 0.86% for the year ended June 30, 2021.

(4) The ratio of Expenses to Average Net Assets includes the voluntary expense reimbursements. If these reimbursements were excluded, the ratio would have been 1.11% for the year ended June 30, 2020.

(5) The ratio of Expenses to Average Net Assets includes the voluntary expense reimbursements. If these reimbursements were excluded, the ratio would have been 0.61% for the year ended June 30, 2021.

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

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# Tidal Trust III

## Notes to Financial Statements

June 30, 2024

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### 1. ORGANIZATION

Tidal Trust III, formerly Impact Shares Trust I (the “Trust”), is an open-end management investment company organized as a Delaware statutory trust pursuant to a Declaration of Trust dated May 19, 2016. The Trust is registered with the Securities and Exchange Commission (the “Commission”) under the Investment Company Act of 1940 (the “1940 Act”), as amended, as an open-end management investment company. The financial statements herein and the related notes are those of Impact Shares YWCA Women’s Empowerment ETF (the “Women’s ETF”) and the Impact Shares NAACP Minority Empowerment ETF (the “Minority ETF”), (each a “Fund” and collectively, the “Funds”). The Women’s ETF and Minority ETF each seek to provide investment results that, before fees and expenses, track the total return performance of the Morningstar Women’s Empowerment Index and the Morningstar Minority Empowerment Index (the “Underlying Indices” or “Index”), respectively. The Funds are classified as “diversified” funds under the 1940 Act. With respect to Minority ETF, as of January 29, 2024, Tidal Investment LLC (“Tidal”) (the “Adviser”) serves as the investment adviser and Impact Shares, Corp. (“Impact Shares”) serves as sub-adviser. With respect to Women’s ETF, as of September 1, 2023, Tidal serves as the investment adviser and Impact Shares serves as sub-adviser. Prior to these dates, Impact Shares served as investment adviser to Women’s ETF and Minority ETF. The Adviser is responsible for managing the investment activities of the Funds, the Funds’ business affairs and other administrative matters and is subject to the supervision of the Board of Trustees (the “Board”).

The Women’s ETF commenced operations on August 24, 2018.  
The Minority ETF commenced operations on July 18, 2018.

### 2. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the significant accounting policies followed by the Funds:

**Use of Estimates** — The Funds are registered investment companies under Accounting Standard Codification in Topic 946 by the Financial Accounting Standards Board. The preparation of financial statements in conformity with U.S. generally accepted accounting principles (“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 increases and decreases in net assets from operations during the reporting period. Actual results could materially differ from those estimates.

**Security Valuation** — Equity securities, including Real Estate Investment Trusts, 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 (the “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 (or at approximately 4:00 pm Eastern Time if a security’s primary exchange is normally open at that time), or, if there is no such reported sale, at the most recent quoted bid. For securities traded on NASDAQ, the NASDAQ Official Closing Price will be used. Debt obligations with remaining maturities of sixty days or less may be valued at their amortized cost, if the Valuation Designee (discussed below) concludes it approximates fair value after taking into account factors such as credit, liquidity and interest rate conditions as well as issuer specific factors. Foreign securities listed on foreign exchanges are valued based on quotations from the primary market in which they are traded and are translated from the local currency into U.S. dollars using current exchange rates. Foreign securities may trade on weekends or other days when the Fund does not calculate net asset value (“NAV”). As a result, the fair value of these investments may change on days when you cannot buy or redeem shares of the Fund. Prices for most securities held in the Funds are provided daily by recognized independent pricing agents. If a security price cannot be obtained from an independent, third-party pricing agent, the Funds seek to obtain a bid price from at least one independent broker. Portfolio securities for which market quotations are readily available are valued at their current market value. When market quotations are not readily available (or are deemed unreliable) for one or more portfolio securities, the 1940 Act requires the Funds to use the investment’s fair value, as determined in good faith. Pursuant to Rule 2a-5 under the 1940 Act, the Board has designated the Adviser as the valuation designee to perform fair value determinations, subject to Board oversight. Pursuant to the Valuation Designee’s fair value policies and procedures, securities for which market quotations are not readily available or for which the market price is determined to be unreliable, may include but are not limited to securities that are subject to legal or contractual restrictions on resale, securities for which no or limited trading activity has occurred for a period of time, or securities that are otherwise deemed to be illiquid (i.e., securities that cannot be disposed of within seven days at approximately the price at which the security is currently priced by the Fund which holds the security). Market quotations may also be not “readily available” if a significant event occurs after the close of the principal exchange on which a portfolio security trades (but before the time for calculation of such Fund’s NAV) if that event affects or is likely to affect (more than minimally) the NAV per share of such Fund. In determining the fair value price of a security, the Valuation Designee may use a number of other methodologies, including those based on discounted cash flows, multiples, recovery rates, yield to maturity or discounts to public comparables. The Valuation Designee may also employ independent pricing services. Fair value pricing involves judgments that are inherently subjective

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# Tidal Trust III

## Notes to Financial Statements

June 30, 2024

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and inexact; as a result, there can be no assurance that fair value pricing will reflect actual market value, and it is possible that the fair value determined for a security will be materially different from the value that actually could be or is realized upon the sale of that asset. Valuing the Funds' investments using fair value pricing will result in using prices for those investments that may differ from current market valuations. Use of fair value prices and certain current market valuations could result in a difference between the prices used to calculate each Fund's NAV and the prices used by each applicable Underlying Index, which, in turn, could result in a difference between a Fund's performance and the performance of its Underlying Index.

In accordance with the authoritative guidance on fair value measurements and disclosure under U.S. GAAP, the Funds disclose fair value of their investments in a hierarchy that prioritizes the inputs to valuation techniques used to measure the fair value. The objective of a fair value measurement is to determine the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). Accordingly, the fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described below:

- Level 1 – Unadjusted quoted prices in active markets for identical, unrestricted assets or liabilities that the Funds have the ability to access at the measurement date;
- Level 2 – Quoted prices which are not active, or inputs that are observable (either directly or indirectly) for substantially the full term of the asset or liability; and
- Level 3 – Prices, inputs or exotic modeling techniques which are both significant to the fair value measurement and unobservable (supported by little or no market activity).

The valuation techniques used by the Funds to measure fair value during the year ended June 30, 2024 maximized the use of observable inputs and minimized the use of unobservable inputs.

For the year ended June 30, 2024, there have been no significant changes to the Funds' fair valuation methodologies.

For details of the investment classification, reference the Schedules of Investments.

**Federal Income Taxes** — It is each of the Funds' intention to qualify as a regulated investment company for Federal income tax purposes by complying with the appropriate provisions of Subchapter M of the Internal Revenue Code of 1986 (the "Code"), as amended. Accordingly, no provisions for federal income taxes have been made in the financial statements.

The Funds evaluate tax positions taken, or expected to be taken in the course of preparing the Funds' tax returns, to determine whether it is "more-likely-than-not" (i.e., greater than 50-percent) that each tax position will be sustained upon examination by a taxing authority based on the technical merits of the position. Tax positions not deemed to meet the more-likely-than-not threshold are recorded as a tax benefit or expense in the current period. The Funds did not record any tax provision in the current period. However, management's conclusions regarding tax positions taken may be subject to review and adjustment at a later date based on factors including, but not limited to, examination by tax authorities (i.e., the last 3 year ends, as applicable), on-going analysis of and changes to tax laws, regulations and interpretations thereof. As of and during the year ended June 30, 2024, the Funds did not have a liability for any unrecognized tax benefits. The Funds recognize interest and penalties, if any, related to unrecognized tax benefits as income tax expense in the Statements of Operations. For the year ended June 30, 2024, the Funds did not recognize any interest or penalties.

**Security Transactions and Investment Income** — Security transactions are accounted for on trade date. Costs used in determining realized gains and losses on the sale of investment securities are based on specific identification. Dividend income is recorded on the ex-dividend date. Interest income is recognized on the accrual basis. Withholding taxes and reclaims on foreign dividends have been provided for in accordance with the Funds' understanding of the applicable country's tax rules and rates. Discounts and premiums on securities purchased are accreted and amortized using the effective interest method.

**Dividends and Distributions to Shareholders** — The Funds intend to declare and pay dividends of net investment income quarterly and to pay any capital gain distributions on an annual basis. All distributions are recorded on ex-dividend date.

**Cash and Cash Equivalents** — Idle cash may be swept into various time deposits and is classified as cash and cash equivalents on the Statements of Assets and Liabilities. The Funds maintain cash in bank deposit accounts which,

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## Tidal Trust III

### Notes to Financial Statements

June 30, 2024

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at times, may exceed United States federally insured limits. Amounts swept overnight are available on the next business day.

**Creation Units** — The Funds issue and redeem shares ("Shares") at NAV in large blocks of Shares comprised of 50,000 shares for the Funds (a "Creation Unit"). Purchasers of Creation Units at NAV must pay a standard creation transaction fee of \$300 per transaction. The fee is a single charge and will be the same regardless of the number of Creation Units purchased by an investor on the same day. An Authorized Participant who holds Creation Units and wishes to redeem at NAV would also pay a standard redemption transaction fee of \$300 per transaction to the custodian on the date of such redemption, regardless of the number of Creation Units redeemed that day. Creations and redemptions are also subject to an additional variable charge of up to 1% of the net asset value per Creation Unit, inclusive of the standard transaction fee, for (i) in-kind creations or redemptions effected outside the normal Clearing Process, (ii) in whole or partial cash creations, (iii) in whole or partial cash redemptions or (iv) non-standard orders. The variable component is primarily designed to cover non-standard charges, e.g., brokerage, taxes, foreign exchange, execution, market impact and other costs and expenses related to the execution of trades resulting from such transaction. In all cases, the Transaction Fee will be limited in accordance with the requirements of the SEC applicable to management investment companies offering redeemable securities. The Fund may determine not to charge the variable portion of a Transaction Fee on certain orders when the Adviser has determined that doing so is in the best interests of Fund shareholders, e.g., for redemption orders that facilitate the rebalance of the Fund's portfolio in a more tax efficient manner than could be achieved without such order. The variable portion of a Transaction Fee may be higher or lower than the trading expenses incurred by a Fund with respect to the transaction.

Except when aggregated in Creation Units, Shares are not redeemable securities of the Funds. Shares of the Funds may only be purchased or redeemed by certain financial institutions ("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 ("DTC") participant and, in each case, must have executed an Authorized Participant Agreement with the Funds' distributor. Most retail investors will not qualify as Authorized Participants or have the resources to buy and sell whole Creation Units. Therefore, they will be unable to purchase or redeem the Shares directly from the Funds. Rather, most retail investors will purchase Shares in the secondary market with the assistance of a broker and will be subject to customary brokerage commissions or fees.

The size of a creation unit for a Fund may be changed from time to time in the future, if determined to be in the best interests of a Fund by the President of the Fund.

If a Creation Unit is purchased or redeemed in cash, a higher transaction fee will be charged. The following table discloses the Creation Unit breakdown based on the NAV as of June 30, 2024:

	Creation Unit Shares	Creation Transaction Fee	Value	Redemption Transaction Fee
Women's ETF .....	50,000	\$ 300	\$ 1,799,500	\$ 300
Minority ETF .....	50,000	300	1,972,500	300

**Foreign Currency Translation** — The books and records of the Funds are maintained in U.S. dollars. Investment securities and other asset and liabilities denominated in a foreign currency are translated into U.S. dollars on the date of valuation. Purchases and sales of investment securities, income and expenses are translated into U.S. dollars at the relevant rates of exchange prevailing on the respective dates of such transactions. The Funds do not isolate that portion of realized or unrealized gains and losses resulting from changes in the foreign exchange rate from fluctuations arising from changes in the market prices of the securities. These gains and losses are included in net realized and unrealized gains and losses on investments on the Statements of Operations. Net realized and unrealized gains and losses on foreign currency transactions represent net foreign exchange gains or losses from foreign currency exchange contracts, disposition of foreign currencies, currency gains or losses realized between trade and settle dates on securities transactions and the difference between the amount of the investment income and foreign withholding taxes recorded on the Funds' books and the U.S. dollar equivalent amounts actually received or paid.

**Indemnifications** — In the normal course of business, the Funds enter into contracts that provide general indemnifications. The Funds' maximum exposure under these arrangements is dependent on future claims that may be made against the Funds and, therefore, cannot be established; however, based on experience, the risk of loss from such claims is considered remote.

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# Tidal Trust III

## Notes to Financial Statements

June 30, 2024

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### 3. AGREEMENTS

#### *Investment Advisory Agreement*

The Adviser is a Delaware limited liability company, located at 234 West Florida Street, Suite 203, Milwaukee, Wisconsin 53204. The Adviser serves as investment adviser to each of the Funds pursuant to investment advisory agreements (each an "Advisory Agreement") with the Trust. The Adviser arranges for transfer agency, custody, fund administration and accounting, and other non-distribution related services necessary for the Funds to operate. The Adviser administers the Funds' business affairs, provides office facilities and equipment and certain clerical, bookkeeping and administrative services, and provides its officers and employees to serve as officers or Trustees of the Trust.

For the services it provides to the Women's ETF and the Minority ETF, the Adviser receives a fee, which is calculated daily and paid monthly, at an annual rate of 0.75% of average daily net assets of the Women's ETF and 0.49% of average daily net assets with respect to Minority ETF. Under the Advisory Agreement, the Adviser agrees to pay all expenses incurred by the Trust and Funds (except for advisory fees payable to the Adviser under the Agreement) pursuant to this Agreement, excluding 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 1940 Act, and litigation expenses, and other non-routine or extraordinary expenses. Prior to the Adviser change to each of the Funds, the Impact Shares, Corp. (the "Previous Adviser") received a fee, which was calculated daily and paid monthly, at an annual rate of 0.75% of average daily net assets of the Women's ETF and 0.49% of average daily net assets with respect to Minority ETF. Under the Advisory Agreement, the Previous Adviser was responsible for substantially all expenses of the Women's ETF and Minority ETF including the cost of transfer agency, custody, fund administration, legal, audit and other services, except for: (i) distribution and service fees payable pursuant to a Rule 12b-1 plan, if any; (ii) taxes and governmental fees, if any, levied against a Fund; (iii) brokerage fees and commissions, and other portfolio transaction expenses incurred by or for a Fund; (iv) expenses of a Fund's securities lending (if any), including any securities lending agent fees, as governed by a separate securities lending agreement; costs, including interest expenses, of borrowing money or engaging in other types of leverage financing; (v) extraordinary expenses, including extraordinary legal expenses, as may arise, including, without limitation, expenses incurred in connection with litigation, proceedings, other claims, contractual arrangements with Partner Charities and the legal obligations of a Fund to indemnify its Trustees, officers, employees, shareholders, distributors, and agents with respect thereto; and (vi) expenses of a Fund which are capitalized in accordance with generally accepted accounting principles (the "Excluded Expenses").

Additionally, each Investment Advisory Agreement remains in force for an initial two-year period and from year to year thereafter, subject to annual approval by (a) the Board or (b) a "vote of a majority of the outstanding voting securities" (as defined in the 1940 Act) of the Fund; provided that in either event continuance is also approved by a majority of the Independent Trustees, by a vote cast in person at a meeting called for the purpose of voting such approval. Each Investment Advisory Agreement may be terminated at any time, without payment of any penalty, by vote of the Trust's Board, or by a "vote of a majority of the outstanding voting securities" (as defined in the 1940 Act) of the Fund, or by the Adviser, in each case on not more than 60 days' nor less than 30 days' prior written notice to the other party. Each Investment Advisory Agreement will automatically terminate in the event of its "assignment," as defined by the 1940 Act and the rules thereunder, or upon the termination of the relevant.

#### *Sub-Advisory Agreement*

Impact Shares serves as the investment sub-adviser to the Women's ETF and Minority ETF. The Sub-Adviser is responsible for the day-to-day management of the Funds' portfolios, 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 is calculated daily and paid monthly.

Each Fund is a party to contractual arrangements with various parties, including, among others, the Fund's investment adviser, administrator, distributor, and shareholder servicing agent, who provide services to the Fund. Shareholders are not parties to, or intended ("third-party") beneficiaries of, any such contractual arrangements, and such contractual arrangements are not intended to create in any individual shareholder or group of shareholders any right to enforce them against the service providers or to seek any remedy under them against the service providers, either directly or on behalf of the Fund.

The Adviser has entered into a fund sponsorship agreement with the Sub-Adviser (the "Fund Sponsorship Agreement") pursuant to which the sub-adviser is a sponsor to the Funds. Every month, unitary management fees for the Funds are calculated and paid to the Adviser, and the Adviser retains a portion of the unitary management fees from the Funds. After the Adviser has recouped a certain level of costs, the Adviser has agreed to pay the

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## Tidal Trust III

### Notes to Financial Statements

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Sub-Adviser a portion of any remaining profits generated by the unitary management fee for the Funds. If the amount of the unitary management fees for the Funds exceeds the combination of: (i) the Funds' operating expenses (including the sub-advisory fee payable to the Sub-Adviser under the Sub-Advisory Amendment) and (ii) the Adviser- retained amount; that excess amount is considered "remaining profit." In that case, once the Adviser has recovered a certain level of costs, the Adviser will pay a portion of the remaining profits to the Sub-Adviser. During months when the funds generated by the unitary management fee are insufficient to cover the entire sub-advisory fee, that fee is automatically waived (and such waiver is not subject to recoupment).

#### *Distribution Agreement*

SEI Investments Distribution Co. (the "Distributor") serves as the Funds' underwriter and distributor of Shares pursuant to a Distribution Agreement. Under the Distribution Agreement, the Distributor, as agent, receives orders to purchase shares in Creation Units and transmits such orders to the Funds' custodian and transfer agent. The Distributor has no obligation to sell any specific quantity of Fund shares. The Distributor bears the following costs and expenses relating to the distribution of shares: (i) the expenses of maintaining its registration or qualification as a dealer or broker under federal or state laws; (ii) filing fees; and (iii) all other expenses incurred in connection with the distribution services, that are not reimbursed by the Adviser, as contemplated in the Distribution Agreement. The Distributor does not maintain any secondary market in Fund Shares.

The Funds have adopted a Distribution and Service Plan (the "Plan") pursuant to Rule 12b-1 under the 1940 Act. In accordance with the Plan, the Funds are authorized to pay an amount up to 0.25% of their average net assets each year for certain distribution-related activities. For the year ended June 30, 2024, no fees were charged by the Distributor under the Plan. No payments have yet been authorized by the Board, nor are any such expected to be made by a Fund under the Plan during the current fiscal year.

#### *Administrator, Custodian and Transfer Agent*

SEI Investments Global Funds Services ("SEI") serves as the Funds' administrator. In that capacity, SEI performs various administrative services, including preparing 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. Additionally, effective September 1, 2023, Tidal ETF Services LLC ("Tidal"), a Tidal Financial Group company, and an affiliate of the Adviser, serves as the Funds' 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.

Effective April 10, 2024, U.S. Bancorp Fund Services, LLC, doing business as U.S. Bank Global Fund Services ("Fund Services"), serves as the Funds' transfer agent. Prior to April 10, 2024, the Bank of New York Mellon served as the Funds' transfer agent.

Effective April 8, 2024, U.S. Bank N.A. (the "Custodian"), an affiliate of Fund Services, serves as the Funds' custodian. Prior to April 8, 2024 the Bank of New York Mellon served as the Funds' custodian.

Certain officers and a trustee of the Trust are affiliated with the Adviser and Tidal. Neither the affiliated trustee nor the Trust's officers receive compensation from the Funds.

#### **4. INVESTMENT TRANSACTIONS**

For the year ended June 30, 2024, the purchases and sales of investments in securities, excluding in-kind transactions and short-term securities were:

	<b>Purchases</b>	<b>Purchases - U.S. Govt.</b>	<b>Sales</b>	<b>Sales - U.S. Govt.</b>
Women's ETF.....	\$ 15,545,680	\$ -	\$ 15,571,831	\$ -
Minority ETF.....	17,542,807	-	15,486,067	-

For the year ended June 30, 2024, in-kind transactions associated with creations and redemptions were:

	<b>Purchases</b>	<b>Sales and Maturities</b>	<b>Realized Gain/(Loss)</b>
Women's ETF.....	\$ 9,074,173	\$ 1,558,882	\$ 502,982
Minority ETF.....	1,899,711	9,052,157	2,954,498



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### 5. TAX INFORMATION

The amount and character of income and capital gain distributions to be paid, if any, are determined in accordance with Federal income tax regulations, which may differ from U.S. GAAP. As a result, net investment income (loss) and net realized gain (loss) on investment transactions for a reporting period may differ significantly from distributions during such period. These book/tax differences may be temporary or permanent. To the extent these differences are permanent in nature, they are charged or credited to distributable earnings or paid-in capital, as appropriate, in the period that the differences arise.

The permanent differences that are credited or charged to distributable earnings or Paid-in Capital as of June 30, 2024 are primarily related to in-kind redemption gain/loss.

	<b>Distributable Earnings/ (Loss)</b>	<b>Paid-in Capital</b>
Women's ETF.....	\$ (443,479)	\$ 443,479
Minority ETF.....	(2,860,344)	2,860,344

These reclassification had no impact on net assets or net asset value per share.

The tax character of dividends and distributions paid during the last two fiscal years ending June 30, were as follows:

	<b>Ordinary Income</b>	<b>Long-Term Capital Gain</b>	<b>Total</b>
Women's ETF			
2024.....	\$475,070	\$374,656	\$849,726
2023.....	1,326,246	1,463,528	2,789,774
Minority ETF			
2024.....	\$521,160	\$6,542	\$527,702
2023.....	938,455	460,743	1,399,198

As of June 30, 2024, the components of distributable earnings (accumulated losses) on a tax basis were as follows:

	<b>Undistributed Ordinary Income</b>	<b>Undistributed Long Term Capital Gains</b>	<b>Capital Loss Carryforwards</b>	<b>Post October Losses</b>	<b>Unrealized Appreciation/ (Depreciation)</b>	<b>Other Temporary Differences</b>	<b>Total Distributable Earnings/ (Accumulated Losses)</b>
Women's ETF.....	\$ 126,948	\$ —	\$ —	\$(206,339)	\$ 9,407,892	\$ (127,779)	\$ 9,200,722
Minority ETF.....	120,342	1,016,458	—	—	10,273,652	(120,343)	11,290,109

For Federal income tax purposes, capital losses incurred may be carried forward and applied against future capital gains. Funds are permitted to carry forward capital losses for an unlimited period. Additionally, capital losses that are carried forward will retain their character as either short-term or long-term capital. As of June 30, 2024 there are no capital loss carryforwards.

During the year ended June 30, 2024, the Funds utilized capital loss carryforwards to offset capital gains amounting to:

	<b>Short-Term Loss</b>	<b>Long-Term Loss</b>	<b>Total</b>
Women's ETF.....	\$ 369,005	\$ 371,964	\$ 740,969
Minority ETF.....	742,487	499,474	1,241,961

The Federal tax cost and aggregate gross unrealized appreciation and depreciation on investments and foreign currency transactions held by the Funds at June 30, 2024, were as follows:

	<b>Federal Tax Cost</b>	<b>Aggregate Gross Unrealized Appreciation</b>	<b>Aggregate Gross Unrealized Depreciation</b>	<b>Net Unrealized Appreciation/ (Depreciation)</b>
Women's ETF.....	\$46,498,933	\$ 10,654,184	\$ (1,246,292)	\$ 9,407,892
Minority ETF.....	37,180,681	10,821,610	(547,958)	10,273,652

The book/tax difference on cost is primarily related to wash sale adjustments.

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# Tidal Trust III

## Notes to Financial Statements

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### 6. RISKS OF INVESTING IN THE FUNDS

As with all exchange traded funds (“ETFs”), a shareholder of each Fund is subject to the risk that his or her investment could lose money. The Funds are subject to the principal risks noted below, any of which may adversely affect the Fund’s NAV, trading price, yield, total return and ability to meet its investment objective. A more complete description of principal risks is included in the prospectus under the heading “Principal Risks”.

Under normal circumstances, the Funds will invest at least 80% of their total assets in securities of the Index, which reflects the performance of an investable universe of publicly-traded companies that directly or indirectly provide services or support to ETFs, including but not limited to the management, servicing, trading or sale of ETFs (“ETF Activities”).

An investment in each Fund is not a bank deposit and is not insured or guaranteed by the FDIC or any other government agency. As with any investment company, there is no guarantee that the Fund will achieve its goal.

*Asset Class Risk* (Both Funds) - The securities in an Underlying Index or in a Fund’s portfolio may underperform the returns of other securities or indices that track other countries, regions, industries, groups of industries, markets, asset classes or sectors. Various types of securities or indices tend to experience cycles of outperformance and underperformance in comparison to general securities markets.

*Cash Transaction Risk* (Both Funds) - The Funds can effect creations and redemptions principally for cash, rather than for in-kind securities. ETFs generally are able to make in-kind redemptions and avoid being taxed on gain on the distributed portfolio securities at the fund level. Because the Funds currently can effect redemptions for cash, rather than for in-kind securities, they may be required to sell portfolio securities in order to obtain the cash needed to distribute redemption proceeds. The Funds may recognize a capital gain on these sales that might not have been incurred if the Funds had made a redemption in-kind, and this may decrease the tax efficiency of the Funds compared to ETFs that utilize an in-kind redemption process and may also result in higher brokerage costs.

*Counterparty Risk* (Both Funds) - The Funds may engage in transactions in securities and financial instruments that involve counterparties. Counterparty risk is the risk that a counterparty (the other party to a transaction or an agreement or the party with whom a Fund executes transactions) to a transaction with a Fund may be unable or unwilling to make timely principal, interest, settlement or margin payments, or otherwise honor its obligations. If a counterparty becomes bankrupt or otherwise fails to perform its obligations due to financial difficulties, the affected Fund’s income or the value of its assets may decrease. A Fund may experience significant delays in obtaining any recovery in a bankruptcy or other reorganization proceeding and a Fund may obtain only limited recovery or may obtain no recovery in such circumstances. In an attempt to limit the counterparty risk associated with such transactions, the Funds conduct business only with financial institutions judged by Impact Shares to present acceptable credit risk. These risks may be greater when engaging in over-the-counter transactions or when the Fund conducts business with a limited number of counterparties.

*Equity Investing Risk* (Both Funds) - The market prices of equity securities owned by a Fund may go up or down, sometimes rapidly or unpredictably. The value of a security may decline for a number of reasons that may directly relate to the issuer, such as management performance, financial leverage, non-compliance with regulatory requirements, and reduced demand for the issuer’s goods or services. The values of equity securities also may decline due to general industry or market conditions that are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates, or adverse investor sentiment generally. In addition, equity markets tend to move in cycles, which may cause stock prices to fall over short or extended periods of time.

*Ethnic Diversity Risk* (Minority ETF only) - The returns on a portfolio of securities that excludes companies that are not ethnically diverse may trail the returns on a portfolio of securities that includes companies that are not ethnically diverse. Investing only in a portfolio of securities that are ethnically diverse may affect the Fund’s exposure to certain types of investments and may adversely impact the Fund’s performance depending on whether such investments are in or out of favor in the market.

*Exchange-Traded Funds Risk* (Both Funds) - The value of ETFs can be expected to increase and decrease in value in proportion to increases and decreases in the indices that they are designed to track. The volatility of different index tracking stocks can be expected to vary in proportion to the volatility of the particular index they track. ETFs are traded similarly to stocks of individual companies. Although an ETF is designed to provide investment performance corresponding to its index, it may not be able to exactly replicate the performance of its index because of its operating expenses and other factors. An investment in an ETF generally presents the same primary risks as an investment in a conventional fund (i.e., one that is not exchange-traded) that has the same investment objective, strategies, and policies. The price of an ETF can fluctuate within a wide range, and a Fund could lose money investing in an ETF if the prices of the securities owned by the ETF go down. In addition, ETFs are subject to the following risks that do not apply to conventional funds: (1) the market price of the ETF’s shares may trade at a

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discount or a premium to their net asset value; (2) an active trading market for an ETF's shares may not develop or be maintained; and (3) trading of an ETF's shares may be halted by the activation of individual or market wide "circuit breakers" (which halt trading for a specific period of time when the price of a particular security or overall market prices decline by a specified percentage), if the shares are delisted from the Exchange without first being listed on another exchange, or if the listing exchange's officials deem such action appropriate in the interest of a fair and orderly market or to protect investors. In addition, shareholders bear both their proportionate share of a Fund's expenses and similar expenses of the underlying investment company when such Fund invests in shares of another investment company. Most ETFs are investment companies. Therefore, a Fund's purchases of ETF shares generally are subject to the limitations on, and the risks of, such Fund's investments in other investment companies.

*Gender Diversity Risk (Women's ETF only)* - The returns on a portfolio of securities that excludes companies that are not gender diverse may trail the returns on a portfolio of securities that includes companies that are not gender diverse. Investing only in a portfolio of securities that are gender diverse may affect the Fund's exposure to certain types of investments and may adversely impact the Fund's performance depending on whether such investments are in or out of favor in the market.

*Illiquid Securities Risk (Both Funds)* - Illiquid investments may be difficult to resell at approximately the price they are valued in the ordinary course of business within seven days. When investments cannot be sold readily at the desired time or price, a Fund may have to accept a much lower price, may not be able to sell the investment at all or may be forced to forego other investment opportunities, all of which may adversely impact a Fund's returns. Illiquid investments also may be subject to valuation risk.

*Index Performance Risk (Both Funds)* - Each Fund seeks to track an index maintained by a third party provider unaffiliated with the Funds, Toroso (for Women's ETF only), or Impact Shares. There can be no guarantee or assurance that the methodology used by the third party provider to create the index will result in the Funds achieving high, or even positive, returns. Further, there can be no guarantee that the methodology underlying the index or the daily calculation of the index will be free from error. It is also possible that the value of the index may be subject to intentional manipulation by third-party market participants. The particular indices used by the Funds may underperform other asset classes and may underperform other similar indices. Each of these factors could have a negative impact on the performance of the Funds.

*Industry Concentration Risk (Both Funds)* - Because a Fund may invest 25% or more of the value of its assets in an industry or group of industries to the extent that the Underlying Index concentrates in an industry or group of industries, a Fund's performance may depend to a large extent on the overall condition of such industry or group of industries and a Fund may be susceptible to economic, political and regulatory risks or other occurrences associated with that industry or group of industries. The performance of a Fund if it invests a significant portion of its assets in a particular sector or industry may be closely tied to the performance of companies in a limited number of sectors or industries. Companies in a single sector often share common characteristics, are faced with the same obstacles, issues and regulatory burdens and their securities may react similarly to adverse market conditions. The price movements of investments in a particular sector or industry may be more volatile than the price movements of more broadly diversified investments.

*Inflation Risk (Both Funds)* - Inflation risk is the risk that the value of assets or income from investments will be less in the future as inflation decreases the value of money. As inflation increases, the present value of the Fund's assets and distributions may decline.

*Intellectual Property Risk (Both Funds)* - The Funds rely on licenses that permit Toroso (for Women's ETF only) and Impact Shares to use the Underlying Indices and associated trade names, trademarks and service marks, as well as the Partner Nonprofits' names and logos (the "Intellectual Property") in connection with the investment strategies of each respective Fund and/or in marketing and other materials for each Fund. Such licenses may be terminated, and, as a result, the relevant Fund may lose its ability to use the Intellectual Property. In the event a license is terminated or the license provider does not have rights to license the Intellectual Property, the operations of such Fund may be adversely affected.

*Limited Fund Size Risk (Both Funds)* - The Funds may not attract sufficient assets to achieve or maximize investment and operational efficiencies and remain viable. If a Fund fails to achieve sufficient scale, it may be liquidated.

*Management Risk (Both Funds)* - Management risk is the risk associated with the fact that the Funds rely on Toroso's (for Women's ETF only), Impact Shares' ability to achieve its investment objective. Impact Shares has limited personnel and financial resources and Impact Shares is a nonprofit organization. The relative lack of resources may increase the Funds' management risk. In addition, the NACP ETF is subject to potential trading-related challenges faced by Toroso.

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*Market Price Variance Risk* (Both Funds) - Each Fund's shares are listed for trading on NYSE Arca, Inc. (the "Exchange") and are bought and sold in the secondary market at prevailing market prices. The market prices of shares will fluctuate in response to changes in the NAV of a Fund and supply and demand for shares. As a result, the trading prices of shares may deviate significantly from NAV of a Fund during periods of market volatility. Differences between secondary market prices and the net asset value ("NAV") of a Fund may be due largely to supply and demand forces in the secondary market, which may not be the same forces as those influencing prices for securities held by a Fund at a particular time. Neither Toroso (for Women's ETF only) or Impact Shares can predict whether shares will trade above, below or at their NAV. Given the fact that shares can be created and redeemed in creation units, Toroso and Impact Shares believe that large discounts or premiums to the NAV of shares should not be sustained in the long-term. There may be times when the market price of a Fund's shares and such Funds' NAV vary significantly and you may pay more than such Funds' NAV when buying shares on the secondary market, and you may receive less than such Fund's NAV when you sell those shares. While the creation/redemption feature is designed to make it likely that shares normally will trade close to a Fund's NAV, disruptions to creations and redemptions may result in trading prices that differ significantly from a Fund's NAV. The market price of shares, like the price of any exchange-traded security, includes a "bid-ask spread" charged by the exchange specialist, market makers or other participants that trade the particular security. In addition, the securities held by a Fund may be traded in markets that close at a different time than the Exchange. Liquidity in those securities may be reduced after the applicable closing times. Accordingly, during the time when the Exchange is open but after the applicable market closing, fixing or settlement times, bid-ask spreads and the resulting premium or discount to shares' NAV may widen. Further, secondary markets may be subject to irregular trading activity, wide bid/ask spreads and extended trade settlement periods, which could cause a material decline in a Fund's NAV. In times of market stress, market makers and authorized participants may step away from their respective roles in making a market in a Fund's shares or in executing purchase and redemption orders, which could lead to variances between the market price of such Fund's shares and the underlying value of those shares. Also, in stressed market conditions, the market for a Fund's shares may become less liquid in response to deteriorating liquidity of such Fund's portfolio holdings, which could lead to differences between the market price of such Fund's shares and the underlying value of those shares. During periods of high market volatility, a Fund share may trade at a significant discount to its NAV, and in these circumstances certain types of brokerage orders may expose an investor to an increased risk of loss. A "stop order," sometimes called a "stop-loss order," may cause a Fund share to be sold at the next prevailing market price once the "stop" level is reached, which during a period of high volatility can be at a price that is substantially below NAV. By including a "limit" criteria with your brokerage order, you may be able to limit the size of the loss resulting from the execution of an ill-timed stop order. The Funds' shares may be listed or traded on U.S. and non-U.S. stock exchanges other than the U.S. stock exchange where the Funds' primary listing is maintained, and may otherwise be made available to non-U.S. investors through funds or structured investment vehicles similar to depositary receipts. There can be no assurance that a Fund's shares will continue to trade on any such stock exchange or in any market or that a Fund's shares will continue to meet the requirements for listing or trading on any exchange or in any market. A Fund's shares may be less actively traded in certain markets than in others, and investors are subject to the execution and settlement risks and market standards of the market where they or their broker direct their trades for execution. Certain information available to investors who trade a Fund's shares on a U.S. stock exchange during regular U.S. market hours may not be available to investors who trade in other markets, which may result in secondary market prices in such markets being less efficient.

A Fund's investment results are measured based upon the daily NAV of such Fund. Investors purchasing and selling shares in the secondary market may not experience investment results consistent with those experienced by those purchasing and redeeming directly with the Fund.

*Mid-Cap Company Risk* (Both Funds) - Investing in securities of mid-cap companies may entail greater risks than investments in larger, more established companies. Mid-cap companies tend to have more narrow product lines, more limited financial resources and a more limited trading market for their stocks, as compared with larger companies. As a result, their stock prices may decline significantly as market conditions change.

*Non-Diversification Risk* (Both Funds) - Due to the nature of the Fund's investment strategies and its non-diversified status (for purposes of the 1940 Act), the Fund may invest a greater percentage of its assets in the securities of fewer issuers than a "diversified" fund, and accordingly may be more vulnerable to changes in the value of those issuers' securities. Since the Fund invests in the securities of a limited number of issuers, the Fund is particularly exposed to adverse developments affecting those issuers, and a decline in the market value of a particular security held by the Fund is likely to affect its performance more than if the Fund invested in the securities of a larger number of issuers. Although the Fund will be "non-diversified" for purposes of the 1940 Act, the Fund intends to comply with the diversification requirements under Subchapter M of the Code in order to be eligible to qualify as a regulated investment company.

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*Operational and Technology Risk (Both Funds)* - The Funds, their service providers, index providers, Authorized Participants, market makers and other market participants increasingly depend on complex information technology and communications systems to conduct business functions. These systems are subject to a number of different threats or risks that could adversely affect the Funds and their shareholders, despite the efforts of Toroso (solely with respect Women's ETF) and Impact Shares, the Funds and their service providers to adopt technologies, processes, and practices intended to mitigate these risks. For example, unauthorized third parties may attempt to improperly access, modify, disrupt the operations of, or prevent access to these systems of the Funds, the Funds' service providers, counterparties, or other market participants or data within them (a "cyber-attack"). Power or communications outages, acts of god, information technology equipment malfunctions, operational errors, and inaccuracies within software or data processing systems may also disrupt business operations or impact critical data. Market events also may trigger a volume of transactions that overloads current information technology and communication systems and processes, impacting the ability to conduct the Funds' operations. Cyber-attacks, disruptions, or failures that affect the Funds' service providers or counterparties may adversely affect the Funds and their shareholders, including by causing losses for the Funds or impairing the Funds' operations. For example, the Funds or their service providers' assets or sensitive or confidential information may be misappropriated, data may be corrupted, and operations may be disrupted (e.g., cyber-attacks or operational failures may cause the release of private shareholder information or confidential Fund information, interfere with the processing of shareholder transactions, impact the ability to calculate each Fund's NAV, and impede trading). In addition, cyber-attacks, disruptions, or failures may cause reputational damage and subject the Funds or their service providers to regulatory fines, litigation costs, penalties or financial losses, reimbursement or other compensation costs, and/or additional compliance costs. While the Funds and their service providers may establish business continuity and other plans and processes to address the possibility of cyberattacks, disruptions, or failures, there are inherent limitations in such plans and systems, including that they do not apply to third parties, such as other market participants, as well as the possibility that certain risks have not been identified or that unknown threats may emerge in the future. Similar types of operational and technology risks are also present for issuers of the Funds' investments, which could have material adverse consequences for such issuers, and may cause the Funds' investments to lose value. In addition, cyber-attacks involving a Fund's counterparties could affect such counterparty's ability to meet its obligations to such Fund, which may result in losses to such Fund and its shareholders. Furthermore, as a result of cyber-attacks, disruptions or failures, an exchange or market may close or issue trading halts on specific securities or the entire market, which may result in the Funds being, among other things, unable to buy or sell certain securities or financial instruments or unable to accurately price its investments. The Funds cannot directly control any cybersecurity plans and systems put in place by their service providers, counterparties, issuers in which the Funds invest, or securities markets and exchanges, and such third parties may have limited indemnification obligations to Toroso, Impact Shares, or the Funds, each of whom could be negatively impacted as a result.

*Passive Investment Risk (Both Funds)* - The Funds are not actively managed and may be affected by a general decline in market segments included in the applicable Underlying Indices. The Funds invest in securities included in, or representative of, each Fund's respective Underlying Index regardless of such securities' investment merits. Each Fund will likely lose value to the extent that the applicable Underlying Index loses value. Impact Shares does not attempt to take defensive positions under any market conditions, including during declining markets.

*Securities Market Risk (Both Funds)* - Securities market risk is the risk that the value of securities owned by a Fund may go up or down, sometimes rapidly or unpredictably, due to factors affecting particular companies or the securities markets generally. The profitability of a Fund substantially depends upon Impact Shares correctly assessing the future price movements of stocks, bonds, loans, options on stocks, and other securities and the movements of interest rates. Impact Shares cannot guarantee that it will be successful in accurately predicting price movements. The market prices of equities may decline for reasons that directly relate to the issuing company (such as poor management performance or reduced demand for its goods or services), factors that affect a particular industry (such as a decline in demand, labor or raw material shortages, or increased production costs) or general market conditions not specifically related to a company or industry (such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates, or adverse investor sentiment generally or natural and environmental disasters and systemic market dislocations). The spread of infectious disease including epidemics and pandemics also could affect the economies of many nations in ways that cannot necessarily be foreseen. For example, the COVID-19 pandemic has resulted, and may continue to result, in significant market volatility, exchange suspensions and closures, declines in global financial markets, higher default rates, supply chain disruptions, and a substantial economic downturn in economies throughout the world. In addition, military action by Russia in Ukraine has, and may continue to, adversely affect global energy and financial markets and therefore could affect the value of the Fund's investments, including beyond the Fund's direct exposure to Russian issuers or nearby geographic regions. The extent and duration of the military action, sanctions, and resulting market disruptions are impossible to predict and could be substantial. A

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## Tidal Trust III

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number of U.S. domestic banks and foreign (non-U.S.) banks have recently experienced financial difficulties and, in some cases, failures. There can be no certainty that the actions taken by regulators to limit the effect of those financial difficulties and failures on other banks or other financial institutions or on the U.S. or foreign (non-U.S.) economies generally will be successful. It is possible that more banks or other financial institutions will experience financial difficulties or fail, which may affect adversely other U.S. or foreign (non-U.S.) financial institutions and economies. The foregoing could lead to a significant economic downturn or recession, increased market volatility, a greater number of market closures, higher default rates and adverse effects on the values and liquidity of securities or other assets. Such impacts, which may vary across asset classes, may adversely affect the performance of the Fund's investments, the Fund and your investment in the Fund.

In addition, the increasing popularity of passive index-based investing may have the potential to increase security price correlations and volatility. As passive strategies generally buy or sell securities based simply on inclusion and representation in an index, securities prices will have an increasing tendency to rise or fall based on whether money is flowing into or out of passive strategies rather than based on an analysis of the prospects and valuation of individual securities. This may result in increased market volatility as more money is invested through passive strategies. As a result of the nature of a Fund's investment activities, it is possible that such Fund's financial performance may fluctuate substantially from period to period. Additionally, at any point in time an investment in a Fund may be worth less than the original investment, even after taking into account the reinvestment of dividends and distributions.

*Significant Exposure Risk (Both Funds)* - To the extent that the Fund invests a large percentage of its assets in a single asset class or the securities of issuers within the same country, state, region, industry or sector, an adverse economic, business or political development may affect the value of the Fund's investments more than if the Fund were more broadly diversified. A significant exposure makes the Fund more susceptible to any single occurrence and may subject the Fund to greater market risk than a fund that is more broadly diversified.

*Small-Cap Company Risk (Both Funds)* - Investing in the securities of small-cap companies either directly or indirectly through investments in ETFs, closed-end funds or mutual funds may pose greater market and liquidity risks than larger, more established companies, because of limited product lines and/or operating history, limited financial resources, limited trading markets, and the potential lack of management depth. In addition, the securities of such companies are typically more volatile than securities of larger capitalization companies.

*Tracking Error Risk (Both Funds)* - Imperfect correlation between a Fund's portfolio securities and those in the applicable Underlying Indices, rounding of prices, changes to the Underlying Indices and regulatory requirements may cause tracking error, which is the divergence of a Fund's performance from that of its Underlying Index. This risk may be heightened during times of increased market volatility or other unusual market conditions. Tracking error also may result because a Fund incurs fees and expenses, while its Underlying Index does not. For example, a Fund incurs a number of operating expenses not applicable to its Underlying Index and incurs costs associated with buying and selling securities, especially when rebalancing such Fund's securities holdings to reflect changes in the composition of its Underlying Index and raising cash to meet redemptions or deploying cash in connection with newly created creation units. Because a Fund bears the costs and risks associated with buying and selling securities while such costs are not factored into the return of its Underlying Index, such Fund's returns may deviate significantly from the return of its Underlying Index. Because the Funds each employ a representative sampling strategy, the Funds may experience tracking error to a greater extent than funds that seek to replicate an index. Impact Shares may not be able to cause a Fund's performance to correlate to that of such Fund's benchmark, either on a daily or aggregate basis. Because the Underlying Index rebalances quarterly but a Fund is not obligated to do the same, the risk of tracking error may increase following the rebalancing of such Fund's Underlying Index.

*Trading Issues Risk (Both Funds)* - Although the shares of the Fund are listed for trading on the Exchange, there can be no assurance that an active trading market for such shares will develop or be maintained. Trading in shares on the Exchange may be halted due to market conditions or for reasons that, in the view of the Exchange, make trading in shares inadvisable. In addition, trading in shares on the Exchange is subject to trading halts caused by extraordinary market volatility pursuant to the Exchange's "circuit breaker" rules. Market makers are under no obligation to make a market in the Fund's shares, and authorized participants are not obligated to submit purchase or redemption orders for Creation Units. In the event market makers cease making a market in the Fund's shares or authorized participants stop submitting purchase or redemption orders for Creation Units, Fund shares may trade at a larger premium or discount to their net asset value. There can be no assurance that the requirements of the Exchange necessary to maintain the listing of the Fund will continue to be met or will remain unchanged. The Fund may have difficulty maintaining its listing on the Exchange in the event the Fund's assets are small or the Fund does not have enough shareholders.

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# Tidal Trust III

## Notes to Financial Statements

June 30, 2024

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*Valuation Risk* (Both Funds) - The Fund is subject to the risk of mispricing or improper valuation of its investments, in particular to the extent that its securities are fair valued.

### **7. OTHER**

At June 30, 2024, the records of the Trust reflected that 100% of the Funds' total Shares outstanding were held by four Authorized Participants, in the form of Creation Units. However, the individual shares comprising such Creation Units are listed and traded on the NYSE Arca, Inc. and have been purchased and sold by persons other than Authorized Participants.

### **8. SUBSEQUENT EVENTS**

On August 21, 2024, the Board approved Foreside Fund Services, LLC (the "New Distributor") as the Funds' new distributor. The distribution agreement became effective August 26, 2024.

Effective August 26, 2024, SEI was no longer administrator to the Funds. Tidal has assumed the various administrative services previously performed by SEI.

The Funds have evaluated the need for additional disclosures (other than what is disclosed in the preceding paragraph) and/or adjustments resulting from subsequent events through the date the financial statements were issued. Based on this evaluation, no additional disclosures and/or adjustments were required to the financial statements.

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**Tidal Trust III**  
**Report of Independent Registered Public Accounting Firm**  
June 30, 2024

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To the Shareholders of Impact Shares and  
Board of Trustees of Tidal Trust III

Opinion on the Financial Statements

We have audited the accompanying statements of assets and liabilities, including the schedules of investments, of Impact Shares YWCA Women’s Empowerment ETF and Impact Shares NAACP Minority Empowerment ETF (the “Funds”), each a series of Tidal Trust III, as of June 30, 2024, the related statements of operations for the year then ended, the statements of changes in net assets and the financial highlights for each of the two years in the period then ended, 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 each of the Funds as of June 30, 2024, the results of their operations, the changes in net assets, and the financial highlights for each of the periods indicated above, in conformity with accounting principles generally accepted in the United States of America.

The Funds’ financial highlights for the years ended June 30, 2022, and prior, were audited by other auditors whose report dated August 29, 2022, expressed an unqualified opinion on those financial highlights.

Basis for Opinion

These financial statements are the responsibility of the Funds’ management. Our responsibility is to express an opinion on the Funds’ financial statements based on our audits. 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 Funds 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 audits 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 audits 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 June 30, 2024, by correspondence with the custodian. Our audits 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 audits provide a reasonable basis for our opinion.

We have served as the Funds’ auditor since 2023. We have served as the auditor of one or more of Tidal Investment LLC’s investment companies since 2020.

*Cohen & Company, Ltd.*

COHEN & COMPANY, LTD.  
Milwaukee, Wisconsin  
August 27, 2024



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## Tidal Trust III

### Notice to Shareholders

June 30, 2024 (Unaudited)

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For shareholders that do not have a June 30, 2024 tax year end, this notice is for informational purposes only. For shareholders with a June 30, 2024 tax year end, please consult your tax advisor as to the pertinence of this notice. For the fiscal year ended June 30, 2024, the Funds are designating the following items with regard to distributions paid during the year.

	Return of Capital	Long Term Capital Gain Distributions	Ordinary Income Distributions	Total Distributions	Dividends Qualifying for Corporate Dividend Receivable Deduction (1)	Qualifying Dividend Income (2)	U.S. Government Interest (3)	Interest Related Dividends (4)	Qualified Short Term Capital Gain (5)	Qualifying Business Income (6)
Women's ETF	0.00%	51.89%	48.11%	100.00%	100.00%	100.00%	0.00%	0.00%	0.00%	0.00%
Minority ETF	0.00%	1.61%	98.39%	100.00%	100.00%	100.00%	0.00%	0.00%	0.00%	0.00%

- (1) Qualifying dividends represent dividends which qualify for the corporate dividends received deduction and is reflected as a percentage of ordinary income distributions (the total of short term capital gain and net investment income distributions).
- (2) The percentage in this column represents the amount of "Qualifying Dividend Income" as created by the Jobs and Growth Tax Relief Reconciliation Act of 2003 and is reflected as a percentage of ordinary income distributions (the total of short term capital gain and net investment income distributions). It is the intention of each of the aforementioned funds to designate the maximum amount permitted by law.
- (3) "U.S. Government Interest" represents the amount of interest that was derived from U.S. Government obligations and distributed during the fiscal year. This amount is reflected as a percentage of total ordinary income distributions (the total of short term capital gain and net investment income distributions). Generally, interest from direct U.S. Government obligations is exempt from state income tax. However, for shareholders who are residents of California, Connecticut and New York, the statutory threshold requirements were not satisfied to permit exemption of these amounts from state income.
- (4) The percentage in this column represents the amount of "Interest Related Dividend" is reflected as a percentage of ordinary income distribution. Interest related dividends are exempted from U.S. withholding tax when paid to foreign investors.
- (5) The percentage in this column represents the amount of "Qualifying Short-Term Capital Gain" as created by the American Jobs Creation Act of 2004 and is reflected as a percentage of short-term capital gain distributions that is exempt from U.S. withholding tax when paid to foreign investors.
- (6) The percentage of this column represents that amount of ordinary dividend income that qualified for 20% Business Income Deduction.

The information reported herein may differ from the information and distributions taxable to the shareholders for the tax year ending June 30, 2024. Complete information will be computed and reported in conjunction with your 2024 Form 1099-DIV.

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## Tidal Trust III

### Shareholder and Proxy Voting Results

June 30, 2024 (Unaudited)

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At a special meeting of the shareholders held on January 25, 2024, the Minority ETF shareholders voted on the following:

	<u>For %</u>	<u>Against %</u>	<u>Abstain %</u>
1. Approve a new Investment Advisory Agreement between the Trust and Tidal Investments LLC, formerly named Toroso Investments, LLC ("Tidal"), on behalf of the Minority ETF.	93.52%	1.35%	5.13%
2. Approve an Amendment to the Amended and Restated Investment Advisory Agreement between the Trust and Impact Shares Corp. ("ISC"), on behalf of the Minority ETF.	92.87%	1.93%	5.20%

At a special meeting of the shareholders held on August 31, 2023, the Women's ETF shareholders voted on the following:

	<u>For %</u>	<u>Against %</u>	<u>Abstain %</u>	<u>Broker Non-Vote %</u>
1. Approve a new Investment Advisory Agreement between the Trust and Tidal Investments LLC, formerly named Toroso Investments, LLC ("Tidal"), on behalf of the Women's ETF.	67.15%	4.23%	0.95%	27.67%
2. Approve an Amendment to the Amended and Restated Investment Advisory Agreement between the Trust and Impact Shares Corp. ("ISC"), on behalf of the Women's ETF.	70.88%	0.50%	0.95%	27.67%
3. Elect four new members to the Board of Trustees:				
(1) Mr. Guillermo Trias	<u>For %</u>	<u>Withhold %</u>		
(2) Ms. Monica Byrd	96.89%	3.11%		
(3) Ms. Pamela Cytron	98.26%	1.74%		
(4) Mr. Lawrence Jules	98.31%	1.69%		
	98.12%	1.88%		

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# Tidal Trust III

## Board Considerations in Approving the Continuation of the Investment Advisory Agreement

June 30, 2024 (Unaudited)

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### Impact Shares YWCA Women's Empowerment ETF

#### Board Considerations in Approving the Tidal Advisory Agreement

At a meeting held on September 8, 2023, the Trustees, including those Trustees who are not interested persons" (as such term is defined in Section 2(a)(19) of the 1940 Act) of the Trust (such trustees, the "Independent Trustees"), met to consider, among other things, the investment advisory agreement with Tidal (the "Tidal Advisory Agreement"), pursuant to which Tidal would be engaged to provide advisory services to the Empowerment ETF. The Tidal Advisory Agreement was approved at this meeting, subject to shareholder approval, for an initial two-year term.

**The Nature, Extent, and Quality of the Services.** In considering the Tidal Advisory Agreement, the Independent Trustees evaluated the nature, extent, and quality of the advisory services to be provided to the Empowerment ETF by Tidal. They considered the terms of the Tidal Advisory Agreement and received and considered information provided by management that described, among other matters,

- the nature and scope of the advisory and sub-advisory services to be provided to the Empowerment ETF and information regarding the number, experience, qualifications and adequacy of the personnel providing those services,
- the investment program to be used by Tidal and ISC to manage the Empowerment ETF,
- possible fall-out benefits and potential conflicts of interest,
- anticipated brokerage practices,
- the compliance function of Tidal, and
- the financial resources of Tidal.

They also took into account information concerning the investment processes to be used by Tidal and ISC in managing the Empowerment ETF. The Independent Trustees considered, among other matters, that Tidal will provide the Trust with office space and personnel, and, under the unitary-fee structure set forth in the Tidal Advisory Agreement, Tidal is responsible for bearing all of the Empowerment ETF's expenses, including the costs of transfer agency, custody, Empowerment ETF administration, legal, audit, and other services provided to the Empowerment ETF, with certain noted exceptions. They also took into account the compliance and operational functions of Tidal, as well as the resources being devoted to such functions.

The Independent Trustees considered Tidal's financial resources. The Independent Trustees considered that Tidal intended to financially support operating shortfalls for the Empowerment ETF, inclusive of marketing expenses, through at least November of 2024 assuming moderate asset growth for the Empowerment ETF.

The Independent Trustees concluded, within the context of their overall conclusions regarding the Tidal Advisory Agreement, that the scope of the services to be provided to the Empowerment ETF under the Tidal Advisory Agreement was consistent with the Empowerment ETF's operational requirements; that Tidal has the capabilities, resources and personnel necessary to provide the advisory services required by the Empowerment ETF; and that, overall, the nature, extent and quality of the services to be provided by Tidal to the Empowerment ETF were sufficient to warrant approval of the Tidal Advisory Agreement.

**Performance.** The Independent Trustees considered that the Empowerment ETF seeks investment results that, before fees and expenses, track the performance of the Empowerment ETF's underlying index and the Empowerment ETF's performance was within an acceptable level of the Empowerment ETF's underlying index. The 37 Impact Shares Trust I Board Considerations in Approving the Tidal Advisory Agreement December 31, 2023 (Unaudited) Independent Trustees also considered that with ISC as adviser, the Empowerment ETF experienced performance for the three-year period ended July 31, 2021, that was above the median for the Empowerment ETF's Morningstar Category, with the Empowerment ETF ranking in the second quartile of its Morningstar Category. The Independent Trustees considered that under the Tidal Advisory Agreement, although Impact Shares, as sub-adviser, would continue to provide the day-to-day portfolio management of the Empowerment ETF, Tidal would be primarily responsible for trading the Empowerment ETF's securities.

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## Tidal Trust III

# Board Considerations in Approving the Continuation of the Investment Advisory Agreement

June 30, 2024 (Unaudited)

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The Independent Trustees concluded, within the context of the Independent Trustees' overall conclusions regarding the Tidal Advisory Agreement, that the performance history for the Empowerment ETF was not inconsistent with approval of the Tidal Advisory Agreement.

**The Costs of the Services Provided by the Adviser and the Profits Realized by the Adviser.** The Independent Trustees considered the cost of services to be provided by Tidal and the impact of the proposal on the anticipated profitability to Tidal of its arrangements with the Empowerment ETF.

The Independent Trustees recognized that Tidal should, in the abstract, be entitled to earn a reasonable level of profit for the services provided and to be provided to the Empowerment ETF, and that it is difficult to make comparisons of profitability from advisory contracts because comparative information is not generally available and is affected by numerous factors, including the structure of the particular adviser, the types and sizes of Empowerment ETFs it manages, its business mix, numerous assumptions about cost allocations and Tidal's capital structure and cost of capital.

The Independent Trustees also considered the compensation payable by Tidal to Impact Shares for sub-advisory services with respect to the Empowerment ETF, including the portion of the contractual fee rate that is to be paid to Impact Share, as compared to the compensation to be paid to Tidal. The Independent Trustees concluded that, at current assets levels, the expected profitability was not excessive and supported the approval of the Tidal Advisory Agreement.

**Fees and Other Expenses.** The Independent Trustees considered the unitary management fee to be paid by the Empowerment ETF to Tidal, as well as the Empowerment ETF's distribution and service (Rule 12b-1) plan, "other expenses" and total expenses. In doing so, the Independent Trustees reviewed information provided by Tidal comparing the proposed unitary management fee rate of the Empowerment ETF to a group of peers selected by Morningstar as mission-aligned comparables for the Empowerment ETF. The Independent Trustees noted that the proposed fee rate of 0.49% of the Empowerment ETF's average daily net assets was equal to the Empowerment ETF's current unitary management fee.

The Board noted that an advisory agreement with Tidal with respect to the Empowerment ETF was approved by the Board in November 2023, subject to shareholder approval, with a proposed unitary management fee rate of 0.75% of the Empowerment ETF's average daily net assets, the same unitary management fee rate at the Empowerment ETF's inception. The Board also noted that Tidal subsequently proposed that the Board approve the Tidal Advisory Agreement at the Empowerment ETF's current unitary management fee rate (0.49% of the Empowerment ETF's average daily net assets) following the failure of the proposal that shareholders approve an advisory agreement with Tidal at the unitary management fee rate of 0.75% of the Empowerment ETF's average daily net assets.

Based on this and other information, the Independent Trustees concluded, within the context of their overall conclusions regarding the Tidal Advisory Agreement that the fees and expenses to be charged 38 Impact Shares Trust I Board Considerations in Approving the Tidal Advisory Agreement December 31, 2023 (Unaudited) represented reasonable compensation to Tidal in light of the services provided and to be provided to the Empowerment ETF.

**Possible Fall-Out Benefits.** The Independent Trustees considered information regarding the direct and indirect benefits to Tidal from its relationship with the Empowerment ETF, including reputational and other "fall out" benefits. The Independent Trustees considered the receipt of these benefits in light of Tidal's estimated profitability, and concluded that such benefits were not excessive.

**Possible Economies of Scale.** The Independent Trustees considered the extent to which Tidal may realize economies of scale or other efficiencies in managing and supporting the Empowerment ETF. The Independent Trustees considered that the Empowerment ETF did not have any breakpoints in its fee arrangement with Tidal or Tidal's fee arrangement with ISC. The Independent Trustees concluded that the Empowerment ETF's overall fee arrangements represent an appropriate sharing at the present time between Empowerment ETF shareholders and Tidal of any economies of scale or other efficiencies in the management of the Empowerment ETF.

Based on the factors described above, the Independent Trustees concluded that the approval of the Tidal Advisory Agreement was in the best interests of the Empowerment ETF and should be approved.

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Suite 203  
Milwaukee, Wisconsin 53204  
844-448-3383  
[www.impactetfs.org](http://www.impactetfs.org)

**Investment Adviser:**  
Tidal Investments LLC  
234 West Florida Street  
Suite 203  
Milwaukee, Wisconsin 53204

**Distributor:**  
SEI Investments Distribution Co.  
One Freedom Valley Drive  
Oaks, Pennsylvania 19456

**Administrator:**  
Tidal Investments LLC  
234 West Florida Street  
Suite 203  
Milwaukee, Wisconsin 53204

**Transfer Agent:**  
U.S. Bank Global Fund Services  
615 East Michigan Street  
Milwaukee, Wisconsin 53202

**Custodian:**  
U.S. Bank National Association  
1555 North Rivercenter Drive  
Milwaukee, Wisconsin 53212

**Legal Counsel:**  
Sullivan & Worcester LLP  
1251 Avenue of the Americas  
19th Floor  
New York, New York 10020

**Independent Registered Public Accounting Firm:**  
Cohen & Company, Ltd.  
342 N. Water St.  
Suite 830  
Milwaukee, Wisconsin 53202

This information must be preceded or accompanied by a current prospectus for the Funds.