

SMCP

AlphaMark Actively Managed Small Cap ETF

Semi-Annual Report

September 30, 2022

AlphaMark Actively Managed Small Cap ETF

Ticker: SMCP

AlphaMark Actively Managed Small Cap ETF

TABLE OF CONTENTS

	Page
Shareholder Letter	1
Portfolio Allocation	5
Schedule of Investments	6
Statement of Assets and Liabilities	7
Statement of Operations	8
Statements of Changes in Net Assets	9
Financial Highlights	10
Notes to Financial Statements	11
Expense Example	19
Review of Liquidity Risk Management Program	20
Federal Tax Information	21
Information About Portfolio Holdings	21
Information About Proxy Voting	21
Information About the Fund's Trustees	22
Frequency Distribution of Premiums and Discounts	22

AlphaMark Actively Managed Small Cap ETF

SHAREHOLDER LETTER

September 30, 2022 (Unaudited)

Dear Shareholder:

The AlphaMark Actively Managed Small Cap ETF (“SMCP” or the “Fund”) investment philosophy is founded on an appreciation of risk. We attempt to identify Exchange Traded Funds (“ETFs”) with the most favorable risk/reward profiles in the small-cap universe, including growth, value, foreign and domestic. In order to do so we must continuously review the economic landscape.

Fed Speak

When trying to prove a point or regain confidence, it is common to overexaggerate one’s stance. It seems to us that Jerome Powell and the Federal Reserve (the “Fed”) have been doing just that. During 2021, Powell & Company repeatedly spelled out to the markets that the inflation hitting the system was transitory. We have previously noted that this was unlikely because of the amount of “free” money floating in the system and the tight labor market. As we headed into 2022, it became apparent that inflation was not transitory and that the labor market tightness, or the new phenomenon of the disappearing worker, was not abating. In addition, the supply chain for many industries was in shambles causing a shortage of goods and inventories. The Fed found themselves in a quandary. They had painted themselves into a corner. Instead of increasing rates before inflation became rampant; instead of turning off their bond buying program before the real estate market overheated, they made excuses. These problems date back to 2019 when the Fed was actually decreasing rates before there was a pandemic. The economy/markets had become addicted to easy Fed policy. Finally, in March of 2022, the Fed raised rates by 25 basis points (bps), then 50bps in May and 75bps in June, July and September. However, the bond buying program did not fully stop until September 1st. The markets absorbed all of the Fed moves and priced in the impacts accordingly. But something strange happened in June. The markets didn’t fully believe that the Fed had the resolve to go through with its inflation fighting campaign. The stock and bond markets rallied into mid-August. At this point, the Fed’s credibility was in jeopardy and Powell needed to prove a point. In late August, at a global economic symposium for central bankers and policy makers, Powell tried his hand at tough talk, and it worked, markets started backpedaling. Then at the September Fed meeting, Powell reiterated his tough talk and commitment to kill inflation. The stock market further reacted and is now below the lows reached in June. The bond market is now pricing in 1.25% more of Fed rate increases, bringing the overnight rate up to 4.50%. What happened to being data dependent? We now feel the Fed is trying to talk the markets into a more restrictive position. The 3% increase in the Fed Funds rate in such a short amount of time is nothing short of crushing and is truly

AlphaMark Actively Managed Small Cap ETF

SHAREHOLDER LETTER

September 30, 2022 (Unaudited) (Continued)

untested. It is our opinion that the Fed will bide its time before increasing rates much more or much quicker. The Fed is tasked with balancing inflation with a healthy national employment rate. Only one of these is possibly out of balance. Although headline inflation numbers are high, they represent year over year numbers. Over the last 2 months, inflation has actually been 0%. We do not think it will remain at 0% and any shock to oil prices could quickly derail 0%. It is our opinion that year over year inflation will gradually come down, so it reasons that the Fed can slow its pace and let its tough stance work through the system.

Fed Balance Sheet/Money Supply/Inflation

All three of these are intertwined. As the Fed has increased its balance sheet to \$9 trillion, the money supply increased accordingly. If there are more dollars chasing the same amount or fewer goods, inflation becomes the byproduct. Raising interest rates slows down loan demand and decreases the rate at which the money supply grows. Decreasing the Fed's balance sheet actually decreases the money supply. The negative to decreasing the balance sheet is that it will also decrease the demand for bonds (which the Fed had been buying with reckless abandon) which then increases interest rates which will then also decrease loan demand even further and so on and so on. This is another reason why we think the Fed will stop increasing short term rates and let the longer maturity bond rates rise and allow the yield curve to steepen. Mortgage rates are hurt the worst in this scenario. Two months of 0% inflation does not necessarily make a trend, but it is apparent that a slowdown is afoot. Should the Fed continue with its aggressive moves? We do not think so, and we believe the Fed was talking the talk to allow the slowdown in economic activity and the slowdown in inflation to catch up to the very sharp increase in rates.

Preparation

It is our belief that we have created a more diversified Fund by investing in small-cap ETFs across various investment styles. We feel that the market is still overvalued, especially in the growth ETFs, therefore we have limited exposure in growth and increased exposure in value. When we feel that the markets have sufficiently weeded out the excess speculation in the market, we will be prepared to add more exposure to growth.

During the six-month period ended September 30, 2022 (the "current fiscal period"), the net asset value per share ("NAV") of the Fund decreased from \$28.71 to \$22.54, a total return of -21.49%. The market price decreased from \$28.70 to \$22.50, a total return of -21.61%. During this time, the Russell 2000® Index lost -19.01% and the Morningstar US Small Cap Index lost -19.56%. The positions in the Fund had the following returns for

AlphaMark Actively Managed Small Cap ETF

SHAREHOLDER LETTER

September 30, 2022 (Unaudited) (Continued)

the period: iShares Russell 2000 Value ETF (-19.2%), iShares Russell 2000 Growth ETF (-18.8%) iShares MSCI Emerging Markets Small-Cap ETF (-20.6%), iShares MSCI EAFE Small-Cap ETF (-25.2%), iShares Russell 2000 ETF (-21.0%) and Orbital Infrastructure Group, Inc. (-67.4%)

As of the end of the current fiscal period, the Fund's assets were invested among 5 ETFs and 1 stock. The investments were: iShares Russell 2000 Value ETF (46.1%), iShares Russell 2000 Growth ETF (25.8%) iShares MSCI Emerging Markets Small-Cap ETF (12.9%), iShares MSCI EAFE Small-Cap ETF (9.8%), iShares Russell 2000 ETF (3.0%) and Orbital Infrastructure Group, Inc. (1.5%). Cash equivalents represented 1.0% of the Fund's net assets.

As of September 30, 2022, the Fund had net assets of \$19.2 million.

In conclusion, we are confident our strategy for investing in the small-cap ETFs that present the most compelling value versus their counterparts in the small-cap universe should provide a better risk adjusted return.

Sincerely,



Michael L. Simon
President and Chief Investment Officer
AlphaMark Advisors, LLC

Must be preceded or accompanied by a prospectus.

The Russell 2000® index is an index measuring the performance of approximately 2,000 smallest-cap American companies in the Russell 3000® Index, which is made up of 3,000 of the largest U.S. stocks. It is a market-cap weighted index. One cannot invest directly in an index.

The Morningstar US Small Cap Index tracks the performance of the U.S. small-cap stocks that fall between 90th and 97th percentile in market capitalization of the investable universe. In aggregate, the Small Cap Index represents 7 percent of the investable universe. The index does not incorporate Environmental, Social, or Governance (ESG) criteria.

AlphaMark Actively Managed Small Cap ETF

SHAREHOLDER LETTER

September 30, 2022 (Unaudited) (Continued)

Investing involves risk. Principal loss is possible. The Fund invests in foreign securities which involve political, economic and currency risks, greater volatility and differences in accounting methods. These risks are greater for investments in emerging markets. The Fund invests in smaller companies, which involve additional risks such as limited liquidity and greater volatility. REITs may have limited financial resources, may trade less frequently and in limited volume and may be more volatile than other securities. Investing in investment companies, such as ETFs will subject the Fund to additional expenses of each investment company and risk of owning the underlying securities held by each. ETFs may trade at a premium or discount to their net asset value. Shares of ETFs are bought and sold at market price (rather than NAV) and not individually redeemed from the fund. Brokerage commissions will reduce returns.

Market returns are based on the daily NASDAQ Official Close Price (“NOCP”) at 4:00 p.m. Eastern time and do not represent the returns you would receive if you traded shares at other times.

A basis point is one hundredth of one percent.

AlphaMark Advisors, LLC is the Adviser (the “Adviser”) to the AlphaMark Actively Managed Small Cap ETF, which is distributed by Quasar Distributors, LLC.

The Letter to Shareholders seeks to describe some of the Adviser’s current opinions and views of the financial markets. Although the Adviser believes it has a reasonable basis for any opinions or views expressed, actual results may differ, sometimes significantly so, from those expected or expressed.

Fund holdings and allocations are subject to change at any time and should not be considered a recommendation to buy or sell any security. Please see the Schedule of Investments in this report for a complete list of Fund holdings.

AlphaMark Actively Managed Small Cap ETF

PORTFOLIO ALLOCATION

As of September 30, 2022 (Unaudited)

Asset Class or Sector	Percentage of Net Assets
U.S. Domestic Equity	74.9%
Emerging Market Equity	12.9
Developed Market Equity	9.8
Industrial	1.5
Short-Term Investments	1.0
Liabilities in Excess of Other Assets	<u>(0.1)</u>
Total	<u><u>100.0%</u></u>

AlphaMark Actively Managed Small Cap ETF

SCHEDULE OF INVESTMENTS

September 30, 2022 (Unaudited)

Shares	Security Description	Value
	COMMON STOCKS — 1.5%	
	Industrial — 1.5%	
600,000	Orbital Infrastructure Group, Inc. (a)	\$ 285,000
	TOTAL COMMON STOCKS (Cost \$877,025)	<u>285,000</u>
	EXCHANGE TRADED FUNDS — 97.6% (b)	
	Developed Market Equity — 9.8%	
38,567	iShares MSCI EAFE Small-Cap ETF	<u>1,881,298</u>
	Emerging Market Equity — 12.9%	
54,463	iShares MSCI Emerging Markets Small-Cap ETF	<u>2,470,442</u>
	U.S. Domestic Equity — 74.9%	
3,490	iShares Russell 2000 ETF	575,571
23,921	iShares Russell 2000 Growth ETF (c)	4,941,839
68,513	iShares Russell 2000 Value ETF (c)	<u>8,833,381</u>
	TOTAL EXCHANGE TRADED FUNDS (Cost \$17,743,762)	<u>18,702,531</u>
	SHORT-TERM INVESTMENTS — 1.0%	
189,415	First American Government Obligations Fund - Class X, 2.78% (d)	<u>189,415</u>
	TOTAL SHORT-TERM INVESTMENTS (Cost \$189,415)	<u>189,415</u>
	TOTAL INVESTMENTS — 100.1% (Cost \$18,810,202)	19,176,946
	Liabilities in Excess of Other Assets — (0.1)%	<u>(15,099)</u>
	NET ASSETS — 100.0%	<u>\$ 19,161,847</u>

Percentages are stated as a percent of net assets.

The Fund's security classifications are defined by the Fund Adviser.

- (a) Non-income producing security.
- (b) The risks of investing in investment companies, such as the underlying ETFs, typically reflect the risks of the types of investments in which the investment companies invest. See Note 7 in Notes to Financial Statements.
- (c) Fair value of this security exceeds 25% of the Fund's net assets. Additional information for these securities, including the financial statements, is available from the SEC's EDGAR database at www.sec.gov.
- (d) Rate shown is the annualized seven-day yield as of September 30, 2022.

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

AlphaMark Actively Managed Small Cap ETF

STATEMENT OF ASSETS AND LIABILITIES

September 30, 2022 (Unaudited)

ASSETS

Investments in securities, at value (Cost \$18,810,202)	\$	19,176,946
Interest receivable		<u>217</u>
Total assets		<u>19,177,163</u>

LIABILITIES

Management fees payable		<u>15,316</u>
Total liabilities		<u>15,316</u>

NET ASSETS \$ 19,161,847

Net Assets Consist of:

Paid-in capital	\$	22,601,576
Total distributable earnings (accumulated deficit)		<u>(3,439,729)</u>
Net assets	\$	<u>19,161,847</u>

Net Asset Value:

Net assets	\$	19,161,847
Shares outstanding ^		850,000
Net asset value, offering and redemption price per share	\$	22.54

^ No par value, unlimited number of shares authorized.

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

AlphaMark Actively Managed Small Cap ETF

STATEMENT OF OPERATIONS

For the Six-Months Ended September 30,2022 (Unaudited)

INCOME

Dividends	\$	170,545
Interest		<u>787</u>
Total investment income		<u>171,332</u>

EXPENSES

Management fees		<u>97,911</u>
Total expenses		<u>97,911</u>

Net investment income (loss)		<u>73,421</u>
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REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS

Net realized gain (loss) on:

Investments	(96,260)
Securities litigation	8,563

Change in unrealized appreciation (depreciation) on investments	<u>(5,231,139)</u>
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Net realized and unrealized gain (loss) on investments	<u>(5,318,836)</u>
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Net increase (decrease) in net assets resulting from operations	<u><u>\$ (5,245,415)</u></u>
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The accompanying notes are an integral part of these financial statements.

AlphaMark Actively Managed Small Cap ETF

STATEMENTS OF CHANGES IN NET ASSETS

	Six-Months Ended September 30, 2022 (Unaudited)	Year Ended March 31, 2022
OPERATIONS		
Net investment income (loss)	\$ 73,421	\$ 191,611
Net realized gain (loss) on investments and securities litigation	(87,697)	777,592
Change in unrealized appreciation (depreciation) on investments	<u>(5,231,139)</u>	<u>(1,813,082)</u>
Net increase (decrease) in net assets resulting from operations	<u>(5,245,415)</u>	<u>(843,879)</u>
DISTRIBUTIONS TO SHAREHOLDERS		
Net distributions to shareholders	<u>—</u>	<u>(184,453)</u>
Total distributions to shareholders	<u>—</u>	<u>(184,453)</u>
CAPITAL SHARE TRANSACTIONS		
Proceeds from shares sold	—	—
Payments for shares redeemed	<u>—</u>	<u>—</u>
Net increase (decrease) in net assets derived from capital share transactions (a)	<u>—</u>	<u>—</u>
Net increase (decrease) in net assets	<u>\$ (5,245,415)</u>	<u>\$ (1,028,332)</u>
NET ASSETS		
Beginning of period/year	\$ 24,407,262	\$ 25,435,594
End of period/year	<u>\$ 19,161,847</u>	<u>\$ 24,407,262</u>

(a) A summary of capital share transactions is as follows:

	Shares	Shares
Shares sold	—	—
Shares redeemed	<u>—</u>	<u>—</u>
Net increase (decrease)	<u>—</u>	<u>—</u>

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

AlphaMark Actively Managed Small Cap ETF

FINANCIAL HIGHLIGHTS

For a capital share outstanding throughout the period/year

	Six-Months Ended September 30, 2022	Year Ended March 31,				
	(Unaudited)	2022	2021	2020	2019	2018
Net asset value, beginning of period/year	\$ 28.71	\$ 29.92	\$ 17.63	\$ 23.46	\$ 25.00	\$ 24.40
INCOME (LOSS) FROM INVESTMENT OPERATIONS:						
Net investment income (loss) ⁽¹⁾	0.09 ⁽²⁾	0.23 ⁽²⁾	0.12 ⁽²⁾	0.25 ⁽²⁾	(0.04) ⁽²⁾	(0.14)
Net realized and unrealized gain (loss) on investments ⁽⁷⁾	(6.26)	(1.22)	12.32	(5.93)	(1.50)	0.74
Total from investment operations	(6.17)	(0.99)	12.44	(5.68)	(1.54)	0.60
DISTRIBUTIONS TO SHAREHOLDERS:						
Distributions from net investment income	—	(0.22)	(0.15)	(0.15)	—	—
Total distributions to shareholders	—	(0.22)	(0.15)	(0.15)	—	—
Net asset value, end of period/year	\$ 22.54	\$ 28.71	\$ 29.92	\$ 17.63	\$ 23.46	\$ 25.00
Total return	-21.49% ⁽³⁾	-3.37%	70.63%	-24.37%	-6.15%	2.47%
SUPPLEMENTAL DATA:						
Net assets at end of period/year (000's)	\$19,162	\$24,407	\$25,436	\$15,871	\$23,461	\$26,248
RATIOS TO AVERAGE NET ASSETS:						
Expenses to average net assets	0.90% ⁽⁴⁾⁽⁵⁾	0.90% ⁽⁴⁾	0.90% ⁽⁴⁾	0.90% ⁽⁴⁾	0.90% ⁽⁴⁾	0.90%
Net investment income (loss) to average net assets	0.67% ⁽²⁾⁽⁵⁾	0.74% ⁽²⁾	0.51% ⁽²⁾	1.07% ⁽²⁾	(0.18)% ⁽²⁾	(0.56)%
Portfolio turnover rate ⁽⁶⁾	3% ⁽³⁾	38%	44%	62%	360%	41%

⁽¹⁾ Calculated based on average shares outstanding during the period.

⁽²⁾ Recognition of net investment income by the Fund is affected by the timing of the declaration of dividends by the underlying investment companies in which the Fund invests. The ratio does not include net investment income of the underlying investment companies in which the Fund invests.

⁽³⁾ Not annualized.

⁽⁴⁾ Does not include expenses of the investment companies in which the Fund invests.

⁽⁵⁾ Annualized.

⁽⁶⁾ Excludes the impact of in-kind transactions.

⁽⁷⁾ Realized and unrealized gains and losses per share in this caption are balancing amounts necessary to reconcile the change in net asset value per share for the period, and may not reconcile with the aggregate gains and losses in the Statement of Operations due to share transactions for the period.

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

AlphaMark Actively Managed Small Cap ETF

NOTES TO FINANCIAL STATEMENTS

September 30, 2022 (Unaudited)

NOTE 1 – ORGANIZATION

AlphaMark Actively Managed Small Cap ETF (the “Fund”) is a diversified series of ETF Series Solutions (“ESS” or the “Trust”), an open-end management investment company consisting of multiple investment series, organized as a Delaware statutory trust on February 9, 2012. The Trust is registered with the Securities and Exchange Commission (“SEC”) under the Investment Company Act of 1940, as amended (the “1940 Act”), as an open-end management investment company and the offering of the Fund’s shares is registered under the Securities Act of 1933, as amended (the “Securities Act”). The investment objective of the Fund is to seek long-term growth of capital. The Fund invests primarily in ETFs (“Underlying ETFs”) that invest in equity securities of small cap companies listed on a U.S. or international exchange (including in emerging markets). The Fund commenced operations on April 20, 2015.

The end of the reporting period for the Fund is September 30, 2022, and the period covered by these Notes to Financial Statements is the six-month period from April 1, 2022 through September 30, 2022 (the “current fiscal period”).

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

The Fund is an investment company and accordingly follows the investment company accounting and reporting guidance of the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 946 Financial Services – Investment Companies.

The following is a summary of significant accounting policies consistently followed by the Fund. These policies are in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

- A. *Security Valuation.* All equity securities, including domestic and foreign common stocks, preferred stocks, and exchange traded funds that are traded on a national securities exchange, except those listed on the Nasdaq Global Market®, Nasdaq Global Select Market® and the Nasdaq Capital Market® exchanges (collectively, “Nasdaq”) are valued at the last reported sale price on the exchange on which the security is principally traded. Securities traded on Nasdaq will be valued at the Nasdaq Official Closing Price (“NOCP”). If, on a particular day, an exchange-traded or Nasdaq security does not trade, then the mean between the most recent quoted bid and asked prices will be used. All equity securities that are not traded on a listed exchange are valued at the last sale price in the over-the-counter market. If a non-exchange traded security does not trade on a particular day, then the mean between the last quoted closing bid and asked price will be used. Prices denominated in foreign currencies are converted to U.S. dollar equivalents at the current exchange rate, which approximates fair value.

AlphaMark Actively Managed Small Cap ETF

NOTES TO FINANCIAL STATEMENTS

September 30, 2022 (Unaudited) (Continued)

Investments in mutual funds, including money market funds, are valued at their net asset value (“NAV”) per share.

Securities for which quotations are not readily available are valued at their respective fair values in accordance with pricing procedures adopted by the Fund’s Board of Trustees (the “Board”). When a security is “fair valued,” consideration is given to the facts and circumstances relevant to the particular situation, including a review of various factors set forth in the pricing procedures adopted by the Board. The use of fair value pricing by the Fund may cause the NAV of its shares to differ significantly from the NAV that would be calculated without regard to such considerations.

As described above, the Fund utilizes various methods to measure the fair value of its investments on a recurring basis. U.S. GAAP establishes a hierarchy that prioritizes inputs to valuation methods. The three levels of inputs are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities that the Fund has the ability to access.

Level 2 – Observable inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These inputs may include quoted prices for the identical instrument on an inactive market, prices for similar instruments, interest rates, prepayment speeds, credit risk, yield curves, default rates and similar data.

Level 3 – Unobservable inputs for the asset or liability, to the extent relevant observable inputs are not available; representing the Fund’s own assumptions about the assumptions a market participant would use in valuing the asset or liability and would be based on the best information available.

The availability of observable inputs can vary from security to security and is affected by a wide variety of factors, including, for example, the type of security, whether the security is new and not yet established in the marketplace, the liquidity of markets, and other characteristics particular to the security. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3.

AlphaMark Actively Managed Small Cap ETF

NOTES TO FINANCIAL STATEMENTS

September 30, 2022 (Unaudited) (Continued)

The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement falls in its entirety is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

The following is a summary of the inputs used to value the Fund's investments as of the end of the current fiscal period:

<u>Assets[^]</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Common Stocks	\$ 285,000	\$ —	\$ —	\$ 285,000
Exchange Traded Funds	18,702,531	—	—	18,702,531
Short-Term Investments	<u>189,415</u>	<u>—</u>	<u>—</u>	<u>189,415</u>
Total Investments in Securities	<u>\$ 19,176,946</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 19,176,946</u>

[^] See Schedule of Investments for further disaggregation of investment categories.

During the current fiscal period, the Fund did not recognize any transfers to or from Level 3.

- B. *Federal Income Taxes.* The Fund's policy is to comply with the requirements of Subchapter M of the Internal Revenue Code of 1986, as amended, applicable to regulated investment companies and to distribute substantially all net taxable investment income and net capital gains to shareholders. Therefore, no federal income tax provision is required. The Fund plans to file U.S. Federal and applicable state and local tax returns.

The Fund recognizes the tax benefits of uncertain tax positions only when the position is more likely than not to be sustained. Management has analyzed the Fund's uncertain tax positions and concluded that no liability for unrecognized tax benefits should be recorded related to uncertain tax positions. Management is not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will change materially in the next 12 months. Income and capital gain distributions are determined in accordance with federal income tax regulations, which may differ from U.S. GAAP. The Fund recognizes interest and penalties, if any, related to unrecognized tax benefits on uncertain tax positions as income tax expense in the Statement of Operations. During the current fiscal period, the Fund did not incur any interest or penalties.

- C. *Security Transactions and Investment Income.* Investment securities transactions are accounted for on the trade date. Gains and losses realized on sales of securities are determined on a specific identification basis. Dividend

AlphaMark Actively Managed Small Cap ETF

NOTES TO FINANCIAL STATEMENTS

September 30, 2022 (Unaudited) (Continued)

income is recorded on the ex-dividend date. Non-cash dividends included in dividend income or separately disclosed, if any, are recorded at the fair value of the security received. Interest income is recorded on an accrual basis. Withholding taxes on foreign dividends, if any, have been provided for in accordance with the Fund's understanding of the applicable tax rules and regulations.

- D. *Distributions to Shareholders.* Distributions to shareholders from net investment income and net realized gains on securities are declared and paid by the Fund at least annually. Distributions are recorded on the ex-dividend date.
- E. *Use of Estimates.* The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the current fiscal period. Actual results could differ from those estimates.
- F. *Share Valuation.* The NAV per share of the Fund is calculated by dividing the sum of the value of the securities held by the Fund, plus cash and other assets, minus all liabilities (including estimated accrued expenses) by the total number of shares outstanding of the Fund, rounded to the nearest cent. The Fund's shares will not be priced on the days on which the New York Stock Exchange ("NYSE") is closed for trading. The offering and redemption price per share for creation units of the Fund is equal to the Fund's NAV per share.
- G. *Guarantees and Indemnifications.* In the normal course of business, the Fund enters into contracts with service providers that contain general indemnification clauses. The Fund's maximum exposure under these arrangements is unknown as this would involve future claims that may be against the Fund that have not yet occurred. However, based on experience, the Fund expects the risk of loss to be remote.
- H. *Reclassification of Capital Accounts.* U.S. GAAP requires that certain components of net assets relating to permanent differences be reclassified between financial and tax reporting. These reclassifications have no effect on net assets or NAV per share.

During the fiscal year ended March 31, 2022, the Fund did not make any permanent difference reclassifications.

AlphaMark Actively Managed Small Cap ETF

NOTES TO FINANCIAL STATEMENTS

September 30, 2022 (Unaudited) (Continued)

- Subsequent Events.* In preparing these financial statements, management has evaluated events and transactions for potential recognition or disclosure through the date the financial statements were issued. There were no events or transactions that occurred during the period subsequent to the end of the current fiscal period that materially impacted the amounts or disclosures in the Fund's financial statements.

NOTE 3 – COMMITMENTS AND OTHER RELATED PARTY TRANSACTIONS

AlphaMark Advisors, LLC (“the Adviser”), serves as the investment adviser to the Fund. Pursuant to an Investment Advisory Agreement (“Advisory Agreement”) between the Trust, on behalf of the Fund, and the Adviser, the Adviser provides investment advice to the Fund and oversees the day-to-day operations of the Fund, subject to the direction and control of the Board and the officers of the Trust. Under the Advisory Agreement, the Adviser also arranges for the transfer agency, custody, fund administration and accounting, and all other related services necessary for the Fund to operate. Under the Advisory Agreement, the Adviser has agreed to pay all expenses of the Fund, except for: the fee paid to the Adviser pursuant to the Advisory Agreement, interest charges on any borrowings, taxes, brokerage commissions and other expenses incurred in placing orders for the purchase and sale of securities and other investment instruments, acquired fund fees and expenses, accrued deferred tax liability, extraordinary expenses, and distribution (12b-1) fees and expenses. For the services it provides to the Fund, the Fund pays the Adviser a unified management fee, which is calculated daily and paid monthly, at an annual rate of 0.90% on the first \$50 million of the Fund's net assets, 0.80% on the next \$100 million in net assets, 0.70% on the next \$100 million in net assets, and 0.60% on net assets greater than \$250 million.

U.S. Bancorp Fund Services, LLC, doing business as U.S. Bank Global Fund Services (“Fund Services” or “Administrator”), acts as the Fund's Administrator and, in that capacity, performs various administrative and accounting services for the Fund. The Administrator prepares various federal and state regulatory filings, reports and returns for the Fund, including regulatory compliance monitoring and financial reporting; prepares reports and materials to be supplied to the Board; and monitors the activities of the Fund's Custodian, transfer agent, and fund accountant. Fund Services also serves as the transfer agent and fund accountant to the Fund. U.S. Bank N.A. (the “Custodian”), an affiliate of Fund Services, serves as the Fund's Custodian.

A Trustee and all officers of the Trust are affiliated with the Administrator and Custodian.

AlphaMark Actively Managed Small Cap ETF

NOTES TO FINANCIAL STATEMENTS

September 30, 2022 (Unaudited) (Continued)

NOTE 4 – PURCHASES AND SALES OF SECURITIES

During the current fiscal period, purchases and sales of securities by the Fund, excluding short-term securities and in-kind transactions, were \$724,924 and \$703,780, respectively.

During the current fiscal period, there were no purchases or sales of U.S. Government securities.

During the current fiscal period, there were no in-kind transactions associated with creations and redemptions.

NOTE 5 – INCOME TAX INFORMATION

The amount and character of tax basis distributions and composition of net assets, including distributable earnings (accumulated deficit), are finalized at fiscal year-end; accordingly, tax basis balances have not been determined for the current fiscal period.

The components of distributable earnings (accumulated deficit) and cost basis of investments for federal income tax purposes at March 31, 2022 were as follows:

Tax cost of investments	<u>\$ 19,316,809</u>
Gross tax unrealized appreciation	\$ 5,795,003
Gross tax unrealized depreciation	<u>(686,217)</u>
Net tax unrealized appreciation (depreciation)	5,108,786
Undistributed ordinary income	77,630
Undistributed long-term capital gains	—
Other accumulated gain (loss)	<u>(3,380,730)</u>
Distributable earnings (accumulated deficit)	<u>\$ 1,805,686</u>

The difference between the cost basis for financial statement and federal income tax purposes is due primarily to timing differences in recognizing wash sales.

A regulated investment company may elect for any taxable year to treat any portion of any qualified late year loss as arising on the first day of the next taxable year. Qualified late year losses are certain capital and ordinary losses which occur during the portion of the Fund's taxable year subsequent to October 31 and December 31, respectively. For the taxable year ended March 31, 2022, the Fund did not elect to defer any post-October capital losses or late-year ordinary losses.

As of March 31, 2022, the Fund had a short-term capital loss carryforward of \$3,380,730 and no long-term capital loss carryforward. These amounts do not have an expiration date. The Fund utilized \$861,623 of capital loss carry-forward during the fiscal year ended March 31, 2022.

AlphaMark Actively Managed Small Cap ETF

NOTES TO FINANCIAL STATEMENTS

September 30, 2022 (Unaudited) (Continued)

The tax character of distributions paid by the Fund during the fiscal years ended March 31, 2022 and March 31, 2021 was \$184,453 and \$130,687 of ordinary income, respectively.

NOTE 6 – SHARE TRANSACTIONS

Shares of the Fund are listed and traded on The Nasdaq Stock Market, LLC. Market prices for the shares may be different from their NAV. The Fund issues and redeems shares on a continuous basis at NAV generally in blocks of 50,000 shares, called “Creation Units.” Creation Units are issued and redeemed principally in-kind for securities included in a specified universe. Once created, shares generally trade in the secondary market at market prices that change throughout the day. Except when aggregated in Creation Units, shares are not redeemable securities of the Fund. Creation Units may only be purchased or redeemed by 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 participant and, in each case, must have executed a Participant Agreement with the Distributor. Most retail investors do not qualify as Authorized Participants nor have the resources to buy and sell whole Creation Units. Therefore, they are unable to purchase or redeem the shares directly from the Fund. Rather, most retail investors may purchase shares in the secondary market with the assistance of a broker and are subject to customary brokerage commissions or fees.

The Fund currently offers one class of shares, which has no front-end sales load, no deferred sales charges, and no redemption fee. A fixed transaction fee is imposed for the transfer and other transaction costs associated with the purchase or sale of Creation Units. The standard fixed transaction fee for the Fund is \$300, payable to the Custodian. The fixed transaction fee may be waived on certain orders if the Fund’s Custodian has determined to waive some or all of the costs associated with the order or another party, such as the Adviser, has agreed to pay such fee. In addition, a variable fee may be charged on all cash transactions or substitutes for Creation Units of up to a maximum of 2% of the value of the Creation Units subject to the transaction. Variable fees received by the Fund, if any, are displayed in the capital shares transactions section of the Statements of Changes in Net Assets. The Fund may issue an unlimited number of shares of beneficial interest, with no par value. All shares of the Fund have equal rights and privileges.

AlphaMark Actively Managed Small Cap ETF

NOTES TO FINANCIAL STATEMENTS

September 30, 2022 (Unaudited) (Continued)

NOTE 7 – RISKS

Covid-19 Risk. The recent global outbreak of COVID-19 has disrupted economic markets and the prolonged economic impact is uncertain. The operational and financial performance of the issuers of securities in which the Fund invests depends on future developments, including the duration and spread of the outbreak, and such uncertainty may in turn impact the value of the Fund's investments.

Investment Company Risk. The risks of investing in investment companies, such as the underlying ETFs, typically reflect the risks of the types of instruments in which the investment companies invest. By investing in another investment company, the Fund becomes a shareholder of that investment company and bears its proportionate share of the fees and expenses of the other investment company. The Fund may be subject to statutory limits with respect to the amount it can invest in other ETFs, which may adversely affect the Fund's ability to achieve its investment objective. Investments in ETFs are also subject to the following risks: (i) the market price of an ETF's shares may trade above or below their NAV; (ii) an active trading market for an ETF's shares may not develop or be maintained; and (iii) trading of an ETF's shares may be halted for a number of reasons.

AlphaMark Actively Managed Small Cap ETF

EXPENSE EXAMPLE

For the Six-Months Ended September 30, 2022 (Unaudited)

As a shareholder of the Fund, you incur two types of costs: (1) transaction costs, including brokerage commissions on purchases and sales of Fund shares, and (2) ongoing costs, including management fees and other Fund expenses. This example is intended to help you understand your ongoing costs (in dollars) of investing in the Fund and to compare these costs with the ongoing costs of investing in other funds. The example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire six-month period as indicated in the following Expense Example Table.

Actual Expenses

The first line of the table provides information about actual account values based on actual returns and actual expenses. You may use the information in this line, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then, multiply the result by the number in the first line under the heading entitled “Expenses Paid During the Period” to estimate the expenses you paid on your account during this period.

Hypothetical Example for Comparison Purposes

The second line of the table provides information about hypothetical account values based on a hypothetical return and hypothetical expenses based on the Fund’s actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund’s actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in the Fund and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other funds. Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs, such as brokerage commissions paid on purchases and sales of Fund shares. Therefore, the second line of the table is useful in comparing ongoing costs only and will not help you determine the relative total costs of owning different funds. If these transactional costs were included, your costs would have been higher.

	Beginning Account Value April 1, 2022	Ending Account Value September 30, 2022	Expenses Paid During the Period ⁽¹⁾
Actual	\$ 1,000.00	\$ 785.10	\$ 4.03
Hypothetical (5% annual return before expenses)	\$ 1,000.00	\$ 1,020.56	\$ 4.56

⁽¹⁾ The dollar amounts shown as expenses paid during the period are equal to the annualized expense ratio, 0.90%, multiplied by the average account value during the six-month period, multiplied by 183/365 to reflect the one-half year period.

AlphaMark Actively Managed Small Cap ETF

REVIEW OF LIQUIDITY RISK MANAGEMENT PROGRAM (Unaudited)

Pursuant to Rule 22e-4 under the Investment Company Act of 1940, the Trust, on behalf of the series of the Trust covered by this shareholder report (the “Series”), has adopted a liquidity risk management program to govern the Trust’s approach to managing liquidity risk. Rule 22e-4 seeks to promote effective liquidity risk management, thereby reducing the risk that a fund will be unable to meet its redemption obligations and mitigating dilution of the interests of fund shareholders. The Trust’s liquidity risk management program is tailored to reflect the Series’ particular risks, but not to eliminate all adverse impacts of liquidity risk, which would be incompatible with the nature of such Series.

The investment adviser to the Series has adopted and implemented its own written liquidity risk management program (the “Program”) tailored specifically to assess and manage the liquidity risk of the Series.

At a recent meeting of the Board of Trustees of the Trust, the Trustees received a report pertaining to the operation, adequacy, and effectiveness of implementation of the Program for the period ended December 31, 2021. The report concluded that the Program is reasonably designed to assess and manage the Series’ liquidity risk and has operated adequately and effectively to manage such risk. The report reflected that there were no liquidity events that impacted the Series’ ability to timely meet redemptions without dilution to existing shareholders. The report further noted that no material changes have been made to the Program since its implementation.

There can be no assurance that the Program will achieve its objectives in the future. Please refer to the prospectus for more information regarding the Series’ exposure to liquidity risk and other principal risks to which an investment in the Series may be subject.

AlphaMark Actively Managed Small Cap ETF

FEDERAL TAX INFORMATION

(Unaudited)

For the fiscal year ended March 31, 2022, certain dividends paid by the Fund may be subject to a maximum rate of 23.8%, as provided for by the Jobs and Growth Tax Relief Reconciliation Act of 2003. The percentage of dividends declared from ordinary income designated as qualified dividend income was 100.00%.

For corporate shareholders, the percent of ordinary income distributions qualifying for the corporate dividend received deduction for the fiscal year ended March 31, 2022 was 94.59%.

The percentage of taxable ordinary income distributions that are designated as short-term capital gain distributions under Internal Revenue Section 871(k)(2)(C) for the Fund was 0.00%.

INFORMATION ABOUT PORTFOLIO HOLDINGS

(Unaudited)

The Fund files its complete schedules of portfolio holdings for its first and third fiscal quarters with the SEC on Part F of Form N-PORT. The Fund's Part F of Form N-PORT is available without charge, upon request, by calling toll-free at (800) 617-0004. Furthermore, you may obtain the Part F of Form N-PORT on the SEC's website at www.sec.gov or the Fund's website at www.alphamarkadvisors.com/etf/. The Fund's portfolio holdings are posted on its website at www.alphamarkadvisors.com/etf/ daily.

INFORMATION ABOUT PROXY VOTING

(Unaudited)

A description of the policies and procedures the Fund uses to determine how to vote proxies relating to portfolio securities is provided in the Statement of Additional Information ("SAI"). The SAI is available without charge, upon request, by calling toll-free at (800) 617-0004, by accessing the SEC's website at www.sec.gov, or by accessing the Fund's website at www.alphamarkadvisors.com/etf/.

When available, information regarding how the Fund voted proxies relating to portfolio securities during the twelve-months ending June 30 is available by calling toll-free at (800) 617-0004 or by accessing the SEC's website at www.sec.gov.

AlphaMark Actively Managed Small Cap ETF

INFORMATION ABOUT THE FUND'S TRUSTEES

(Unaudited)

The SAI includes additional information about the Fund's Trustees and is available without charge, upon request, by calling (800) 617-0004, by accessing the SEC's website at www.sec.gov or by accessing the Fund's website at www.alphamarkadvisors.com/etf/.

FREQUENCY DISTRIBUTION OF PREMIUMS AND DISCOUNTS

(Unaudited)

Information regarding how often shares of the Fund trade on the exchange at a price above (i.e., at a premium) or below (i.e., at a discount) the NAV of the Fund is available, without charge, on the Fund's website at www.alphamarkadvisors.com/etf/.

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AlphaMark Actively Managed Small Cap ETF

Symbol – SMCP
CUSIP – 26922A834