



Hoya Capital Housing ETF
Ticker: HOMZ

Annual Report

February 29, 2020

Beginning on January 1, 2021, as permitted by regulations adopted by the U.S. Securities and Exchange Commission, paper copies of the Fund's shareholder reports will no longer be sent by mail, unless you specifically request paper copies of the Fund's reports from your financial intermediary, such as a broker-dealer or bank. Instead, the reports will be made available on a website, and you will be notified by mail each time a report is posted and provided with a website link to access the report.

If you already elected to receive shareholder reports electronically, you will not be affected by this change and you need not take any action. Please contact your financial intermediary to elect to receive shareholder reports and other Fund communications electronically.

You may elect to receive all future reports in paper free of charge. Please contact your financial intermediary to inform them that you wish to continue receiving paper copies of shareholder reports and for details about whether your election to receive reports in paper will apply to all funds held with your financial intermediary.

Hoya Capital Housing ETF

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Hoya Capital Housing ETF

Dear Shareholders,

On behalf of the entire Hoya Capital Real Estate team, we want to express our gratitude for the confidence you have placed in the Hoya Capital Housing ETF (“HOMZ” or the “Fund”). The following information pertains to the period from March 19, 2019 through February 29, 2020 (the “Current Fiscal Period”).

HOMZ is a passively-managed, diversified ETF that offers efficient and cost-effective exposure to residential real estate, one of the largest asset classes in the world. HOMZ invests in 100 domestic companies involved in the housing industry including residential real estate investment trusts (REITs), homebuilders, home improvement companies, and real estate services and technology firms. We believe that HOMZ captures the “thematic growth” trends associated with favorable demographics for household formations, the recovery in new home construction, the realization of deferred home improvement spending, and the effects of the lingering housing shortage.

The Fund seeks to track the total return performance, before fees and expenses, of the Hoya Capital Housing 100™ Index (the “Index”). The Index is a rules-based index designed to track the 100 companies that collectively represent the performance of the U.S. Housing Industry. Index components are reviewed semi-annually for eligibility, and the weights are re-set accordingly.

From inception on March 19, 2019 through February 29, 2020, HOMZ outperformed the S&P 500 Index by 226 basis points. During this Current Fiscal Period, the market value and net asset value (“NAV”) for HOMZ generated a cumulative total return of 8.51% and 8.88%, respectively, compared to a return of 6.25% on the S&P 500 Index. Hoya Capital Housing 100™ Index increased 9.33%. Meanwhile, outstanding shares ended the Current Fiscal Period at 425,000.

The U.S. Housing Industry exhibited strong growth in the back-half of 2019 and into early 2020 as key housing data points reaccelerated following a slowdown in 2018, powered by the tailwinds of lower mortgage rates and robust demographic-driven demand. From a U.S. Housing Industry Sector perspective, the Homebuilders, the Home Building Products & Materials, and the Real Estate Technology, Brokerage & Services sectors were the leading contributors while the Home Furnishings & Home Goods and the Residential REITs & Real Estate Operator sectors were the leading detractors during this Current Fiscal Period.

Despite the solid end to the decade for new home construction, the 2010s will likely be remembered as a decade of significant under-building of housing units, resulting in housing shortages in many market segment across the United States. On a rolling 10-year average, residential fixed investment as a share of GDP is near the lowest level since the end of WWII, a function of underinvestment in both new home construction and existing home repair and renovation activity.¹

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On the demand-side, demographic trends over the next decade are highly supportive of growth in household formations. The millennial generation – the largest age cohort in American history – will be entering the U.S. housing markets in full-force over the next decade. Annual household growth from 2018 through 2028 is forecast to average 1.2 million per year, which is 20% higher than the prior 5-year average according to Harvard University’s Joint Center for Housing Studies.²

The coronavirus pandemic that began in early 2020 and the resulting ‘stay-at-home’ orders across much of the country introduces uncertainty about the near-term outlook for much of the housing industry. We believe that diversified exposure across the entire U.S. housing industry – particularly exposure to many of the largest and most well-capitalized housing companies - is especially critical amid this period of near-term uncertainty.

We continue to see a compelling long-term investment case for HOMZ over the next decade and beyond as the combination of historically low housing supply and strong demographic-driven demand has provided a favorable long-term macroeconomic backdrop for companies involved in the U.S. housing industry. Because the forecasted distribution of households between renting and owning remains uncertain and driven by near-term economic conditions and housing policy, we believe that capturing diversified exposure across the entire U.S. housing sector is the most effective way to capture these thematic growth trends.

We look forward to keeping you well informed.

Sincerely,
Alex Pettee, CFA
President & Director of Research and ETFs
Hoya Capital Real Estate, Adviser to the Fund

Must be preceded or accompanied by a prospectus.

Investing involves risks. Principal loss is possible. The Fund is not actively managed. The Fund’s investments will be concentrated in housing and real estate-related industries. Investments in real estate companies and the construction and housing industry involve unique risks. Real estate companies, including REITs, may have limited financial resources, may trade less frequently and in limited volume, and may be more volatile than other securities. Many factors may affect real estate values, including the availability of mortgages and changes in interest rates. Real estate companies are also subject to heavy cash flow dependency, defaults by borrowers, and self-liquidation. The construction and housing industry can be significantly affected by the real estate markets. Compared to large cap companies, small and mid-capitalizations companies may be less stable, and their securities may be more volatile and less liquid. As with all ETFs, Shares may be bought and sold in the secondary market at market prices and are not individually redeemed from the Fund. Brokerage commissions will reduce returns. Although it is expected that the market price of Shares will approximate the Fund’s NAV, there may be times when the market price of Shares is more than the NAV intra-day (premium) or less than the NAV intra-day (discount) due to supply and demand of Shares or during periods of market volatility.

Short term performance, in particular, is not a good indication of the Fund’s future performance, and an investment should not be made based solely on returns.

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The S&P 500 is a broad-based unmanaged index of 500 stocks, which is widely recognized as representative of the equity market in general. You cannot invest directly in an index.

Basis points (BPS) refers to a common unit of measure for interest rates and other percentages in finance. One basis point is equal to 1/100th of 1%, or 0.01%, or 0.0001, and is used to denote the percentage change in a financial instrument.

¹ US Bureau of Economic Analysis. March 26, 2020. Gross domestic product (GDP) is the monetary value of all the finished goods and services produced within a country's borders in a specific time period. Residential Fixed Investment consists of purchases of residential structures by private businesses, by nonprofit institutions, and by governments in the United States.

² "The State of the Nation's Housing." Joint Center for Housing Studies of Harvard University. 2019. https://www.jchs.harvard.edu/sites/default/files/Harvard_JCHS_State_of_the_Nations_Housing_2019.pdf.

Past performance does not guarantee future results.

The Hoya Capital Housing 100 Index is a rules-based index composed of the 100 companies that collectively represent the performance of the US Housing Industry. The index is designed to track total annual spending on housing and housing-related services across the United States. The Index is divided into four US Housing Industry Business Segments, weighted based on their relative contribution to GDP: 1) Home Ownership and Rental Operators; 2) Home Building and Construction; 3) Home Improvement and Furnishings; 4) Home Financing, Technology & Services.

Diversification does not assure a profit or protect against loss in a declining market.

Hoya Capital Real Estate, LLC is the advisor to HOMZ which is distributed by Quasar Distributors, LLC.

Opinions expressed are subject to change at any time, are not guaranteed and should not be considered investment advice.

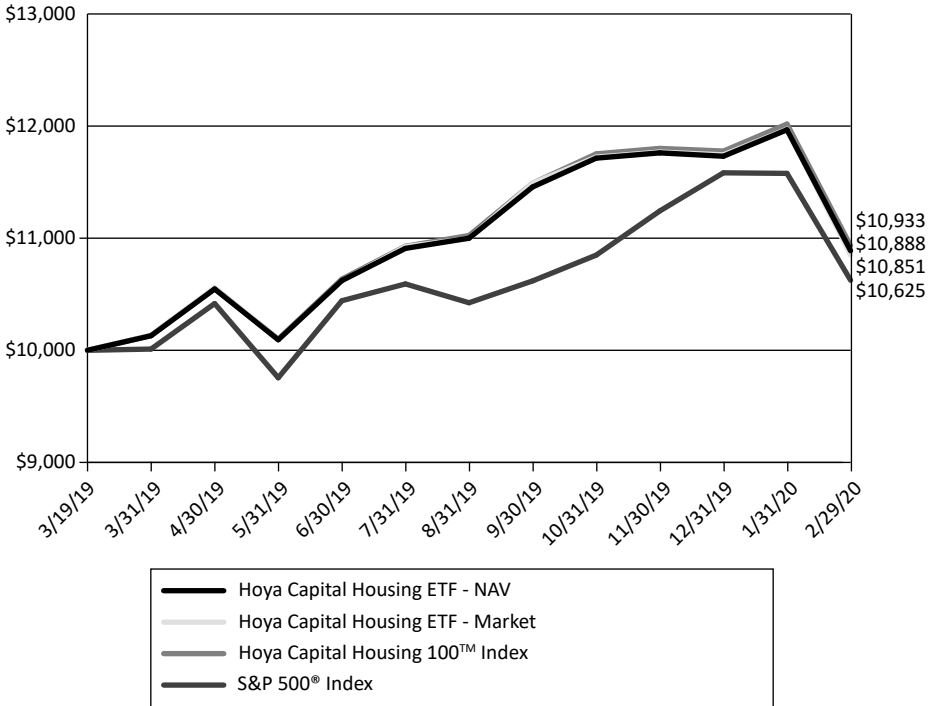
Fund holdings and sector allocations are subject to change and are not recommendations to buy or sell any security. Please refer to the Schedule of Investments in the report for a complete list of fund holdings.

Hoya Capital Housing ETF

PERFORMANCE SUMMARY

(Unaudited)

Growth of \$10,000



Cumulative Returns February 29, 2020	Since Inception (3/19/2019)
Hoya Capital Housing ETF - NAV	8.88%
Hoya Capital Housing ETF - Market	8.51%
Hoya Capital Housing 100™ Index	9.33%
S&P 500 Index®	6.25%

This chart illustrates the performance of a hypothetical \$10,000 investment made on March 19, 2019 and is not intended to imply any future performance. The returns shown do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. The chart assumes reinvestment of capital gains and dividends.

Hoya Capital Housing ETF

PORTFOLIO ALLOCATION

As of February 29, 2020 (Unaudited)

Sector	Percent of Net Assets
Residential REITs & Real Estate Operators ♦	29.9%
Homebuilders	15.9
Home Building Products & Materials	14.5
Home Furnishings & Home Goods	13.0
Mortgage Lenders & Servicers	10.2
Home Improvement Retailers	6.1
Property, Title & Mortgage Insurance	5.1
Real Estate Technology, Brokerage & Services	4.8
Short-Term Investments	0.5
Other Assets in Excess of Liabilities +	0.0
Total	<u>100.0%</u>

♦ The Index, and consequently the Fund, is expected to concentrate its investments in U.S. residential housing industry. The value of the Fund's shares may rise and fall more than the value of shares of a fund that invests in securities of companies in a broader range of industries. See Note 7 in Notes to Financial Statements.

+ Represents less than 0.05% of net assets.

Hoya Capital Housing ETF

SCHEDULE OF INVESTMENTS

February 29, 2020

Shares	Security Description	Value
COMMON STOCKS — 99.5%		
Home Building Products & Materials — 14.5%		
884	American Woodmark Corporation ^(a)	\$ 74,053
1,887	AO Smith Corporation	74,631
969	Armstrong World Industries, Inc.	97,045
2,703	Beacon Roofing Supply, Inc. ^(a)	80,279
476	Cavco Industries, Inc. ^(a)	96,019
1,003	Eagle Materials, Inc.	79,167
1,428	Fortune Brands Home & Security, Inc.	88,179
1,734	Leggett & Platt, Inc.	68,770
374	Lennox International, Inc.	85,321
3,077	Louisiana-Pacific Corporation	87,541
1,972	Masco Corporation	81,483
646	Mohawk Industries, Inc. ^(a)	78,263
1,360	Owens Corning	76,826
2,142	PotlatchDeltic Corporation	78,697
714	PPG Industries, Inc.	74,577
153	Sherwin-Williams Company	79,063
1,139	Simpson Manufacturing Company, Inc.	90,471
1,071	Trex Company, Inc. ^(a)	102,441
510	Watsco, Inc.	80,060
3,128	Weyerhaeuser Company	81,265
		<u>1,654,151</u>
Home Furnishings & Home Goods — 13.0%		
1,632	Aaron's, Inc.	64,186
51	Amazon.com, Inc. ^(a)	96,071
11,475	At Home Group, Inc. ^(a)	57,375
7,514	Bed Bath & Beyond, Inc.	81,226
306	Costco Wholesale Corporation	86,029
1,955	Herman Miller, Inc.	66,939
2,040	iRobot Corporation ^(a)	97,900
3,043	La-Z-Boy, Inc.	87,182
833	Middleby Corporation ^(a)	93,138
476	RH ^(a)	86,346
1,921	Sleep Number Corporation ^(a)	84,620
748	Target Corporation	77,044
1,122	Tempur Sealy International, Inc. ^(a)	83,869
1,581	TIJ Companies, Inc.	94,544
782	Walmart, Inc.	84,206

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

Hoya Capital Housing ETF

SCHEDULE OF INVESTMENTS

February 29, 2020 (Continued)

Shares	Security Description	Value
COMMON STOCKS — 99.5% (Continued)		
Home Furnishings & Home Goods — 13.0% (Continued)		
1,122	Wayfair, Inc. - Class A ^(a)	\$ 70,922
646	Whirlpool Corporation	82,598
1,394	Williams-Sonoma, Inc.	86,972
		<u>1,481,167</u>
Home Improvement Retailers — 6.1%		
1,666	Home Depot, Inc.	362,921
3,077	Lowe's Companies, Inc.	327,916
		<u>690,837</u>
Homebuilders — 15.9%		
3,349	DR Horton, Inc.	178,401
5,355	KB Home	174,519
3,111	Lennar Corporation - Class A	187,718
4,726	MDC Holdings, Inc.	185,921
2,737	Meritage Homes Corporation ^(a)	173,690
51	NVR, Inc. ^(a)	187,026
4,692	PulteGroup, Inc.	188,618
8,007	Taylor Morrison Home Corporation - Class A ^(a)	180,318
4,624	Toll Brothers, Inc.	171,227
12,053	TRI Pointe Group, Inc. ^(a)	184,773
		<u>1,812,211</u>
Mortgage Lenders & Servicers — 10.2%		
4,675	AGNC Investment Corporation	79,662
8,806	Annaly Capital Management, Inc.	78,021
2,448	Bank of America Corporation	69,768
4,012	Chimera Investment Corporation	78,836
748	First Republic Bank	75,226
5,440	Huntington Bancshares, Inc.	66,749
629	JPMorgan Chase & Company	73,033
476	M&T Bank Corporation	66,821
10,608	MFA Financial, Inc.	76,696
5,253	New Residential Investment Corporation	81,737
544	PNC Financial Services Group, Inc.	68,762
4,845	Regions Financial Corporation	65,504
2,958	Truist Financial Corporation	136,482
5,610	Two Harbors Investment Corporation	76,015
1,496	Wells Fargo & Company	61,112
		<u>1,154,424</u>

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

Hoya Capital Housing ETF

SCHEDULE OF INVESTMENTS

February 29, 2020 (Continued)

Shares	Security Description	Value
COMMON STOCKS — 99.5% (Continued)		
Property, Title & Mortgage Insurance — 5.1%		
731	Allstate Corporation	\$ 76,938
1,683	Fidelity National Financial, Inc.	65,233
1,309	First American Financial Corporation	74,744
5,746	MGIC Investment Corporation	69,124
3,621	Old Republic International Corporation	71,406
1,139	Progressive Corporation	83,329
3,162	Radian Group, Inc.	67,161
612	Travelers Companies, Inc.	73,324
		<u>581,259</u>
Real Estate Technology, Brokerage & Services — 4.8%		
2,006	CoreLogic, Inc.	91,012
2,193	RE/MAX Holdings, Inc. - Class A	63,926
7,888	Realty Holdings Corporation	73,122
1,479	RealPage, Inc. ^(a)	94,804
4,029	Redfin Corporation ^(a)	109,025
1,955	Zillow Group, Inc. - Class C ^(a)	109,108
		<u>540,997</u>
Residential REITs & Real Estate Operators — 29.9% ♦		
3,893	American Campus Communities, Inc.	169,112
6,919	American Homes 4 Rent - Class A	179,133
3,417	Apartment Investment & Management Company - Class A	163,469
850	AvalonBay Communities, Inc.	170,502
1,666	Camden Property Trust	176,563
5,933	CubeSmart	179,592
2,618	Equity LifeStyle Properties, Inc.	178,888
2,142	Equity Residential	160,864
578	Essex Property Trust, Inc.	163,782
1,717	Extra Space Storage, Inc.	172,318
5,304	Healthpeak Properties, Inc.	167,819
10,778	Host Hotels & Resorts, Inc.	156,065
6,154	Invitation Homes, Inc.	176,558
1,360	Mid-America Apartment Communities, Inc.	175,794
8,143	Park Hotels & Resorts, Inc.	148,691
867	Public Storage	181,307
1,156	Sun Communities, Inc.	176,729
3,808	UDR, Inc.	171,284
3,179	Ventas, Inc.	170,935

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

Hoya Capital Housing ETF

SCHEDULE OF INVESTMENTS

February 29, 2020 (Continued)

Shares	Security Description	Value
	COMMON STOCKS — 99.5% (Continued)	
	Residential REITs & Real Estate Operators — 29.9% ♦ (Continued)	
2,193	Welltower, Inc.	\$ 164,080
		<u>3,403,485</u>
	TOTAL COMMON STOCKS (Cost \$11,464,914)	<u>11,318,531</u>
	SHORT-TERM INVESTMENTS — 0.5%	
59,833	First American Government Obligations Fund, Class X, 1.49%*	59,833
	TOTAL SHORT-TERM INVESTMENTS (Cost \$59,833)	<u>59,833</u>
	TOTAL INVESTMENTS — 100.0% (Cost \$11,524,747)	11,378,364
	Other Assets in Excess of Liabilities — 0.0% +	<u>3,045</u>
	NET ASSETS — 100.0%	<u>\$ 11,381,409</u>

Percentages are stated as a percent of net assets.

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

(a) Non-income producing security.

* Rate shown is the annualized seven-day yield as of February 29, 2020.

+ Represents less than 0.05% of net assets.

♦ The Index, and consequently the Fund, is expected to concentrate its investments in U.S. residential housing industry. The value of the Fund's shares may rise and fall more than the value of shares of a fund that invests in securities of companies in a broader range of industries. See Note 7 in Notes to Financial Statements.

REIT - Real Estate Investment Trust

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

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STATEMENT OF ASSETS AND LIABILITIES

February 29, 2020

ASSETS

Investments in securities, at value *	\$ 11,378,364
Dividends and interest receivable	<u>7,414</u>
Total assets	<u>11,385,778</u>

LIABILITIES

Management fees payable	<u>4,369</u>
Total liabilities	<u>4,369</u>

NET ASSETS	<u>\$ 11,381,409</u>
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Net Assets Consist of:

Paid-in capital	\$ 11,553,878
Total distributable earnings (accumulated deficit)	<u>(172,469)</u>
Net assets	<u>\$ 11,381,409</u>

Net Asset Value:

Net Assets	\$ 11,381,409
Shares outstanding [^]	425,000
Net asset value, offering and redemption price per share	\$ 26.78

*Identified Cost:

Investments in Securities	\$ 11,524,747
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[^] No par value, unlimited number of shares authorized.

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

Hoya Capital Housing ETF

STATEMENT OF OPERATIONS

For the Period Ended February 29, 2020*

INCOME

Dividends	\$ 139,136
Interest	<u>318</u>
Total investment income	<u>139,454</u>

EXPENSES

Management fees	<u>30,595</u>
Total expenses	<u>30,595</u>

Net investment income (loss)	<u>108,859</u>
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REALIZED & UNREALIZED GAIN (LOSS) ON INVESTMENTS

Net realized gain (loss) on investments	(26,086)
Change in unrealized appreciation (depreciation) on investments	<u>(146,383)</u>
Net realized and unrealized gain (loss) on investments	<u>(172,469)</u>
Net increase (decrease) in net assets resulting from operations	<u>\$ (63,610)</u>

* The Fund commenced operations on March 19, 2019. The information presented is for the period from March 19, 2019 to February 29, 2020.

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

Hoya Capital Housing ETF

STATEMENT OF CHANGES IN NET ASSETS

	<u>Period Ended February 29, 2020 ⁽¹⁾</u>
OPERATIONS	
Net investment income (loss)	\$ 108,859
Net realized gain (loss) on investments	(26,086)
Change in unrealized appreciation (depreciation) of investments	<u>(146,383)</u>
Net increase (decrease) in net assets resulting from operations	<u>(63,610)</u>
DISTRIBUTIONS TO SHAREHOLDERS	
Net distributions to shareholders	<u>(109,411)</u>
Total distributions to shareholders	<u>(109,411)</u>
CAPITAL SHARE TRANSACTIONS	
Proceeds from shares sold	11,554,402
Transaction fees (see Note 6)	<u>28</u>
Net increase (decrease) in net assets derived from capital share transactions ^(a)	<u>11,554,430</u>
Net increase (decrease) in net assets	<u>\$ 11,381,409</u>
NET ASSETS	
Beginning of period	\$ —
End of period	<u>\$ 11,381,409</u>

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

	<u>Shares</u>
Subscriptions	425,000
Redemptions	<u>—</u>
Net increase (decrease)	<u>425,000</u>

(1) Fund commenced operations on March 19, 2019. The information presented is for the period from March 19, 2019 to February 29, 2020.

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

Hoya Capital Housing ETF

FINANCIAL HIGHLIGHTS

For a capital share outstanding throughout the period

	<u>Period Ended February 29, 2020 ⁽¹⁾</u>
Net asset value, beginning of period	\$ 25.00
INCOME (LOSS) FROM INVESTMENT OPERATIONS:	
Net investment income (loss) ⁽²⁾	0.43
Net realized and unrealized gain (loss) on investments	<u>1.80⁽⁷⁾</u>
Total from investment operations	<u>2.23</u>
DISTRIBUTIONS TO SHAREHOLDERS:	
Distributions from:	
Net investment income	<u>(0.45)</u>
Total distributions	<u>(0.45)</u>
CAPITAL SHARE TRANSACTIONS:	
Transaction fees (see Note 6)	<u>0.00⁽³⁾</u>
Net asset value, end of year/period	<u>\$ 26.78</u>
Total return	8.88% ⁽⁴⁾
SUPPLEMENTAL DATA:	
Net assets at end of year/period (000's)	\$ 11,381
RATIOS TO AVERAGE NET ASSETS:	
Expenses to average net assets	0.45% ⁽⁵⁾
Net investment income (loss) to average net assets ⁽⁶⁾	1.60% ⁽⁵⁾
Portfolio turnover rate ^{(4)/(6)}	11%

⁽¹⁾ Commencement of operations on March 19, 2019.

⁽²⁾ Calculated based on average shares outstanding during the period.

⁽³⁾ Represents less than \$0.005 per share.

⁽⁴⁾ Not annualized.

⁽⁵⁾ Annualized.

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

⁽⁷⁾ Realized and unrealized gains (losses) per share 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.

Hoya Capital Housing ETF

NOTES TO THE FINANCIAL STATEMENTS

February 29, 2020

NOTE 1 – ORGANIZATION

Hoya Capital Housing 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 U.S. 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 track the performance, before fees and expenses, of the Hoya Capital Housing 100™ Index (the “Index”). The Fund commenced operations on March 19, 2019.

The end of the reporting period for the Fund is February 29, 2020, and the period covered by these Notes to Financial Statements is the fiscal period from March 19, 2019 to February 29, 2020 (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 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.

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NOTES TO THE FINANCIAL STATEMENTS

February 29, 2020 (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.

Hoya Capital Housing ETF

NOTES TO THE FINANCIAL STATEMENTS

February 29, 2020 (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	\$ 11,318,531	—	—	\$ 11,318,531
Short-Term Investments	59,833	—	—	59,833
Total Investments in Securities	<u>\$ 11,378,364</u>	<u>—</u>	<u>—</u>	<u>\$ 11,378,364</u>

[^] See Schedule of Investments for breakout of investments by sector classification.

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 of its net 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

Hoya Capital Housing ETF

NOTES TO THE FINANCIAL STATEMENTS

February 29, 2020 (Continued)

income is recorded on the ex-dividend date. 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.

Distributions received from the Fund's investments in Real Estate Investment Trusts ("REITs") may be characterized as ordinary income, net capital gain, or a return of capital. The proper characterization of REIT distributions is generally not known until after the end of each calendar year. As such, the Fund must use estimates in reporting the character of its income and distributions received during the current calendar year for financial statement purposes. The actual character of distributions to the Fund's shareholders will be reflected on the Form 1099 received by shareholders after the end of the calendar year. Due to the nature of REIT investments, a portion of the distributions received by the Fund's shareholders may represent a return of capital.

- D. *Distributions to Shareholders.* Distributions to shareholders from net investment income, if any, are declared and paid monthly by the Fund. Distributions to shareholders of net realized gains on securities are declared and paid by the Fund on, at least, an annual basis. Distributions are recorded on the ex-dividend date.
- E. *Use of Estimates.* The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, 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 outstanding shares 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 of the Fund is equal to the Fund's NAV per share.
- G. *Reclassifications 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.

Hoya Capital Housing ETF

NOTES TO THE FINANCIAL STATEMENTS

February 29, 2020 (Continued)

For the fiscal period ended February 29, 2020, the following table shows the reclassifications made:

	Distributable Earnings/ (Accumulated Deficit)	Paid-In Capital
Hoya Capital Housing ETF	<u>\$ 552</u>	<u>\$ (552)</u>

During the fiscal period ended February 29, 2020, the Fund realized \$0 in net capital gains resulting from in-kind redemptions.

- H. *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.
- I. *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. 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. Additionally, effective March 31, 2020, Foreside Financial Group, LLC ("Foreside") acquired Quasar Distributors, LLC ("Quasar"), the Fund's Distributor, from U.S. Bancorp. As a result of the acquisition, Quasar became a wholly-owned broker-dealer subsidiary of Foreside and is no longer affiliated with U.S. Bancorp. The Board has approved a new Distribution Agreement to enable Quasar to continue serving as the Fund's Distributor. There were no other 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.
- J. *New Accounting Pronouncements.* In August 2018, FASB issued Accounting Standards Update 2018-13, Fair Value Measurement (Topic 820): Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement ("ASU 2018-13"). The primary focus of ASU 2018-13 is to improve the effectiveness of the disclosure requirements for fair value measurements. The changes affect all companies that are required to include fair value measurement disclosures. In general, the amendments in ASU 2018-

Hoya Capital Housing ETF

NOTES TO THE FINANCIAL STATEMENTS

February 29, 2020 (Continued)

13 are effective for all entities for fiscal years and interim periods within those fiscal years, beginning after December 15, 2019. An entity is permitted to early adopt the removed or modified disclosures upon the issuance of ASU 2018-13 and may delay adoption of the additional disclosures, which are required for public companies only, until their effective date. Management has evaluated the impact of these changes and has adopted the disclosure framework.

NOTE 3 – COMMITMENTS AND OTHER RELATED PARTY TRANSACTIONS

Hoya Capital Real Estate, 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 is also responsible for arranging, in consultation with Penserra Capital Management, LLC, (the “Sub-Adviser”), transfer agency, custody, fund administration and accounting, and other non-distribution 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, dividends and other expenses on securities sold short, taxes, brokerage commissions and other expenses incurred in placing orders for the purchase and sale of securities and other investment instruments, acquired fund fees and expenses, accrued deferred tax liability, extraordinary expenses and distribution (12b-1) fees and expenses. For services provided to the Fund, the Fund pays the Adviser at an annual rate of 0.45% based on the Fund’s average daily net assets.

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; 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.

Quasar Distributors, LLC, (the “Distributor”) acts as the Fund’s principal underwriter in a continuous public offering of the Fund’s shares. Until March 31, 2020, the Distributor was an affiliate of the Administrator.

A Trustee and all officers of the Trust are affiliated with the Administrator, Distributor (until March 31, 2020), and Custodian.

Hoya Capital Housing ETF

NOTES TO THE FINANCIAL STATEMENTS

February 29, 2020 (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 \$923,070 and \$834,523, respectively.

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

During the current fiscal period, in-kind transactions associated with creations were \$11,428,191 and there were no redemptions.

During the current fiscal period, the Fund paid \$0 in brokerage commissions on trades of securities to Penserra Securities, LLC, an affiliate of the Sub-Adviser.

NOTE 5 – INCOME TAX INFORMATION

The components of distributable earnings (accumulated deficit) and cost basis of investments for federal income tax purposes at February 29, 2020 were as follows:

Tax cost of investments	<u>\$ 11,531,560</u>
Gross tax unrealized appreciation	\$ 678,631
Gross tax unrealized depreciation	<u>(831,827)</u>
Net tax unrealized appreciation (depreciation)	<u>(153,196)</u>
Undistributed ordinary income	—
Undistributed long term capital gains	<u>—</u>
Accumulated gain (loss)	<u>—</u>
Other accumulated gain (loss)	<u>(19,273)</u>
Distributable earnings (accumulated deficit)	<u>\$ (172,469)</u>

The differences between the cost basis for financial statement and federal income tax purposes are primarily due 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 February 29, 2020, the Fund did not elect to defer any post-October capital losses or any late-year ordinary losses.

As of February 29, 2020, the Fund had a short-term capital loss carryforward of \$19,273. This amount does not have an expiration date.

The tax character of distributions paid by the Fund during the period ended February 29, 2020 was \$109,411 of ordinary income.

Hoya Capital Housing ETF

NOTES TO THE FINANCIAL STATEMENTS

February 29, 2020 (Continued)

NOTE 6 – SHARE TRANSACTIONS

Shares of the Fund are listed and trade on the New York Stock Exchange Arca, Inc. (“NYSE Arca”). 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 at least 25,000 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 Participation 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 shares directly from the Fund. Rather, most retail investors may purchase shares in the secondary market with the assistance of a broker and are subject to customary brokerage commissions or fees.

The Fund currently offers one class of shares, which has no front-end sales load, no deferred sales charge, and no redemption fee. A fixed transaction fee is imposed for the transfer and other transaction costs associated with the purchase or sale of Creation Units. The standard fixed transaction fee for the Fund is \$250, 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, payable to the Fund, may be charged on all cash transactions or substitutes for Creation Units of up to a maximum of 2% as a percentage 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 Statement of Changes in Net Assets. The Fund may issue an unlimited number of shares of beneficial interest, with no par value. All shares of the Fund have equal rights and privileges.

NOTE 7 – PRINCIPAL RISK

Concentration Risk. The Fund’s investments will be concentrated in an industry or group of industries to the extent the Index is so concentrated, and the Index is expected to be concentrated in housing and real estate-related industries. When the Fund focuses its investments in a particular industry or sector, it thereby presents a more concentrated risk and its performance will be especially sensitive to developments that significantly affect that industry or group of industries. In addition, the value of shares may change at different rates compared to the value of shares of a fund with

Hoya Capital Housing ETF

NOTES TO THE FINANCIAL STATEMENTS

February 29, 2020 (Continued)

investments in a more diversified mix of industries. An industry may have above-average performance during particular periods, but may also move up and down more than the broader market. The several industries that constitute a sector may all react in the same way to economic, political or regulatory events. The Fund's performance could also be affected if the sectors, industries, or sub-sectors do not perform as expected. Alternatively, the lack of exposure to one or more sectors or industries may adversely affect performance.

Construction and Housing Risk. The construction and housing industry can be significantly affected by the national, regional and local real estate markets. This industry is also sensitive to interest rate fluctuations which can cause changes in the availability of mortgage capital and directly affect the purchasing power of potential homebuyers. The building industry can be significantly affected by changes in government spending, consumer confidence, demographic patterns and the level of new and existing home sales.

NOTE 8 – BENEFICIAL OWNERSHIP

The beneficial ownership, either directly or indirectly, of 25% or more of the voting securities of a fund creates a presumption of control of a fund, under section 2(a)(9) of the 1940 Act. At the end of the current fiscal period, employees of the Adviser indirectly owned greater than 25% of the outstanding shares of the Fund.

Hoya Capital Housing ETF

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders of Hoya Capital Housing ETF and
Board of Trustees of ETF Series Solutions

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities, including the schedule of investments, of Hoya Capital Housing ETF (the “Fund”), a series of ETF Series Solutions, as of February 29, 2020, and the related statements of operations and changes in net assets and the financial highlights for the period March 19, 2019 (commencement of operations) to February 29, 2020, including the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as of February 29, 2020, the results of its operations, the changes in its net assets, and the financial highlights for the period indicated above, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

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

Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of February 29, 2020, by correspondence with the custodian. Our audit also included evaluating the accounting

Hoya Capital Housing ETF

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM (Continued)

principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

We have served as the Fund's auditor since 2019.

Cohen & Company, Ltd.

COHEN & COMPANY, LTD.
Milwaukee, Wisconsin
April 28, 2020

Hoya Capital Housing ETF

TRUSTEES AND OFFICERS

(Unaudited)

Additional information about each Trustee of the Trust is set forth below. The address of each Trustee of the Trust is c/o U.S. Bank Global Services, 615 E. Michigan Street, Milwaukee, WI 53202.

Name and Year of Birth	Position Held with the Trust	Term of Office and Length of Time Served	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex Overseen by Trustee	Other Directorships Held by Trustee During Past 5 Years
Independent Trustees					
Leonard M. Rush, CPA Born: 1946	Lead Independent Trustee and Audit Committee Chairman	Indefinite term; since 2012	Retired; formerly Chief Financial Officer, Robert W. Baird & Co. Incorporated (wealth management firm) (2000–2011).	49	Independent Trustee, Managed Portfolio Series (39 portfolios) (since 2011).
David A. Massart Born: 1967	Trustee	Indefinite term; since 2012	Co-Founder, President, and Chief Investment Strategist, Next Generation Wealth Management, Inc. (since 2005).	49	Independent Trustee, Managed Portfolio Series (39 portfolios) (since 2011).
Janet D. Olsen Born: 1956	Trustee	Indefinite term; since 2018	Retired; formerly Managing Director and General Counsel, Artisan Partners Limited Partnership (investment adviser) (2000–2013); Executive Vice President and General Counsel, Artisan Partners Asset Management Inc. (2012– 2013); Vice President and General Counsel, Artisan Funds, Inc. (investment company) (2001–2012).	49	Independent Trustee, PPM Funds (9 portfolios) (since 2018).
Interested Trustee					
Michael A. Castino Born: 1967	Trustee and Chairman	Indefinite term; Trustee since 2014; Chairman since 2013	Senior Vice President, U.S. Bancorp Fund Services, LLC (since 2013); Managing Director of Index Services, Zacks Investment Management (2011–2013).	49	None

Hoya Capital Housing ETF

TRUSTEES AND OFFICERS

(Unaudited) (Continued)

The officers of the Trust conduct and supervise its daily businesses. The address of each officer of the Trust is c/o U.S. Bank Global Services, 615 E. Michigan Street, Milwaukee, WI 53202. Additional information about the Trust's officers is as follows.

Name and Year of Birth	Position(s) Held with the Trust	Term of Office and Length of Time Served	Principal Occupation(s) During Past 5 Years
Principal Officers of the Trust			
Kristina R. Nelson Born: 1982	President	Indefinite term; since 2019	Senior Vice President, U.S. Bancorp Fund Services, LLC (since 2020); Vice President, U.S. Bancorp Fund Services, LLC (2014–2020); Assistant Vice President, U.S. Bancorp Fund Services, LLC (2013–2014).
Michael D. Barolsky Born: 1981	Vice President and Secretary	Indefinite term; since 2014 (other roles since 2013)	Senior Vice President, U.S. Bancorp Fund Services, LLC (since 2019); Vice President, U.S. Bancorp Fund Services, LLC (2012–2019); Associate, Thompson Hine LLP (law firm) (2008–2012).
James R. Butz Born: 1982	Chief Compliance Officer	Indefinite term; since 2015	Senior Vice President, U.S. Bancorp Fund Services, LLC (since 2015); Vice President, U.S. Bancorp Fund Services, LLC (2014–2015); Assistant Vice President, U.S. Bancorp Fund Services, LLC (2011–2014).
Kristen M. Weitzel, CPA Born: 1977	Treasurer	Indefinite term; since 2014 (other roles since 2013)	Vice President, U.S. Bancorp Fund Services, LLC (since 2015); Assistant Vice President, U.S. Bancorp Fund Services, LLC (2011–2015); Manager, PricewaterhouseCoopers LLP (accounting firm) (2005–2011).
Brett M. Wickmann Born: 1982	Assistant Treasurer	Indefinite term; since 2017	Vice President, U.S. Bancorp Fund Services, LLC (since 2017); Assistant Vice President, U.S. Bancorp Fund Services, LLC (2012–2017).
Elizabeth A. Winske Born: 1983	Assistant Treasurer	Indefinite term; since 2017	Assistant Vice President, U.S. Bancorp Fund Services, LLC (since 2016); Officer, U.S. Bancorp Fund Services, LLC (2012–2016).
Jason E. Shlensky Born: 1987	Assistant Treasurer	Indefinite term; since 2019	Assistant Vice President, U.S. Bancorp Fund Services, LLC (since 2019); Officer, U.S. Bancorp Fund Services, LLC (2014–2019).
Isabella K. Gentile Born: 1994	Assistant Secretary	Indefinite term; since 2020	Regulatory Administration Attorney, U.S. Bancorp Fund Services, LLC (since 2019), Regulatory Administration Intern, U.S. Bancorp Fund Services, LLC (2018–2019) and Law Student (2016–2019).

The Statement of Additional Information (“SAI”) includes additional information about the Trustees and 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 Funds’ website at www.thehousingetf.com.

Hoya Capital Housing ETF

EXPENSE EXAMPLE

For the Six-Months Ended February 29, 2020 (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 period as indicated below.

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 September 1, 2019	Ending Account Value February 29, 2020	Expenses Paid During the Period ⁽¹⁾
Actual	\$1,000.00	\$ 989.80	\$2.23
Hypothetical (5% annual return before expenses)	\$1,000.00	\$1,022.63	\$2.26

⁽¹⁾ The dollar amount shown as expenses paid during the period is equal to the annualized expense ratio, 0.45%, multiplied by the average account value during the period, multiplied by 182/366, to reflect the one-half year period.

Hoya Capital Housing ETF

FEDERAL TAX INFORMATION

(Unaudited)

For the fiscal year ended February 29, 2020, certain dividends paid by the Funds may be subject to the 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 73.01%.

For corporate shareholders, the percentage of ordinary income distributions qualified for the corporate dividend received deduction for the fiscal year ended February 29, 2020 was 72.64%.

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 Form N-Q or Part F of Form N-PORT (beginning with filings after March 31, 2020). The Fund's Form N-Q or 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 Form N-Q or Part F of Form N-PORT on the SEC's website at www.sec.gov. The Fund's portfolio holdings are posted on its website at www.thehousingetf.com 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 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.thehousingetf.com.

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.

Hoya Capital Housing 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.thehousingetf.com.

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Hoya Capital Housing ETF

Symbol – HOMZ
CUSIP – 26922A230