



NETLEASE CORPORATE REAL ESTATE ETF (Ticker: NETL)

Annual Financials and Other Information

February 28, 2025

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NETLEASE CORPORATE REAL ESTATE ETF
SCHEDULE OF INVESTMENTS
February 28, 2025

	<u>Shares</u>	<u>Value</u>
REAL ESTATE INVESTMENT TRUSTS - 99.5%		
Finance and Insurance - 2.7%		
Innovative Industrial Properties, Inc.	14,390	<u>\$ 1,035,360</u>
Real Estate and Rental and Leasing - 96.8%^(a)		
Agree Realty Corporation	40,824	3,012,811
Alpine Income Property Trust, Inc.	25,258	418,778
Broadstone Net Lease, Inc.	89,532	1,508,614
EPR Properties.	34,557	1,833,940
Essential Properties Realty Trust, Inc.	45,978	1,504,400
Four Corners Property Trust, Inc.	52,770	1,517,137
FrontView REIT, Inc.	26,482	452,842
Gaming and Leisure Properties, Inc.	26,587	1,333,338
Getty Realty Corporation	47,683	1,497,246
Gladstone Commercial Corporation	83,087	1,348,502
Global Net Lease, Inc.	211,551	1,692,408
LXP Industrial Trust	167,656	1,502,198
NETSTREIT Corporation	96,706	1,446,722
NNN REIT, Inc.	71,294	3,026,430
One Liberty Properties, Inc.	36,541	970,894
Postal Realty Trust, Inc. - Class A.	96,807	1,348,522
Realty Income Corporation	54,169	3,089,258
Safehold, Inc.	73,387	1,369,401
STAG Industrial, Inc.	42,616	1,533,324
VICI Properties, Inc.	96,138	3,123,524
WP Carey, Inc.	54,955	<u>3,528,661</u>
		<u>37,058,950</u>
TOTAL REAL ESTATE INVESTMENT TRUSTS		
(Cost \$42,189,145)		<u>38,094,310</u>
SHORT-TERM INVESTMENTS - 0.5%		
Money Market Funds - 0.5%		
First American Government Obligations Fund - Class X, 4.29% ^(b)	208,949	<u>208,949</u>
TOTAL SHORT-TERM INVESTMENTS		
(Cost \$208,949)		<u>208,949</u>
TOTAL INVESTMENTS - 100.0%		
(Cost \$42,398,094)		38,303,259
Other Assets in Excess of Liabilities - 0.0% ^(c)		<u>9,532</u>
TOTAL NET ASSETS - 100.0%.		<u>\$38,312,791</u>

Percentages are stated as a percent of net assets.

^(a) To the extent that the Fund invests more heavily in a particular industry or sector of the economy, its performance will be especially sensitive to developments that significantly affect those industries or sectors.

^(b) The rate shown represents the 7-day annualized effective yield as of February 28, 2025.

^(c) Represents less than 0.05% of net assets.

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

NETLEASE CORPORATE REAL ESTATE ETF
STATEMENT OF ASSETS AND LIABILITIES
February 28, 2025

ASSETS:

Investments, at value	\$ 38,303,259
Dividends receivable	25,469
Interest receivable	<u>953</u>
Total assets	<u><u>38,329,681</u></u>

LIABILITIES:

Payable to adviser.	<u>16,890</u>
Total liabilities	<u><u>16,890</u></u>

NET ASSETS	<u><u>\$ 38,312,791</u></u>
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Net Assets Consists of:

Paid-in capital.	\$ 57,205,271
Total accumulated losses	<u>(18,892,480)</u>
Total net assets	<u><u>\$ 38,312,791</u></u>

Net assets	\$ 38,312,791
Shares issued and outstanding ^(a)	1,525,000
Net asset value per share	\$ 25.12

Cost:

Investments, at cost	\$ 42,398,094
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^(a) Unlimited shares authorized without par value.

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

NETLEASE CORPORATE REAL ESTATE ETF
STATEMENT OF OPERATIONS
For the Year Ended February 28, 2025

INVESTMENT INCOME:

Dividend income	\$ 2,083,187
Interest income	<u>15,556</u>
Total investment income	<u>2,098,743</u>

EXPENSES:

Investment advisory fee	<u>304,303</u>
Total expenses	<u>304,303</u>
Net investment income	<u>1,794,440</u>

REALIZED AND UNREALIZED GAIN (LOSS)

Net realized gain (loss) from:	
Investments	(357,851)
In-kind redemptions	<u>(1,864,822)</u>
Net realized gain (loss)	<u>(2,222,673)</u>
Net change in unrealized appreciation (depreciation) on:	
Investments	<u>7,925,708</u>
Net change in unrealized appreciation (depreciation).	<u>7,925,708</u>
Net realized and unrealized gain (loss)	<u>5,703,035</u>
NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS.	<u><u>\$ 7,497,475</u></u>

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

NETLEASE CORPORATE REAL ESTATE ETF
STATEMENTS OF CHANGES IN NET ASSETS

	Year Ended February 28, 2025	Year Ended February 29, 2024
OPERATIONS:		
Net investment income (loss)	\$ 1,794,440	\$ 3,083,462
Net realized gain (loss)	(2,222,673)	(7,629,219)
Net change in unrealized appreciation (depreciation)	<u>7,925,708</u>	<u>(3,527,917)</u>
Net increase (decrease) in net assets from operations	<u>7,497,475</u>	<u>(8,073,674)</u>
DISTRIBUTIONS TO SHAREHOLDERS:		
From earnings	(1,794,440)	(3,083,462)
From return of capital	<u>(655,560)</u>	<u>(717,913)</u>
Total distributions to shareholders	<u>(2,450,000)</u>	<u>(3,801,375)</u>
CAPITAL TRANSACTIONS:		
Subscriptions	630,760	7,838,855
Redemptions	<u>(27,406,965)</u>	<u>(35,604,490)</u>
Net increase (decrease) in net assets from capital transactions	<u>(26,776,205)</u>	<u>(27,765,635)</u>
Net increase (decrease) in net assets	<u>(21,728,730)</u>	<u>(39,640,684)</u>
NET ASSETS:		
Beginning of the year	<u>60,041,521</u>	<u>99,682,205</u>
End of the year	<u>\$ 38,312,791</u>	<u>\$ 60,041,521</u>
SHARES TRANSACTIONS		
Subscriptions	25,000	325,000
Redemptions	<u>(1,150,000)</u>	<u>(1,525,000)</u>
Total increase (decrease) in shares outstanding	<u>(1,125,000)</u>	<u>(1,200,000)</u>

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

NETLEASE CORPORATE REAL ESTATE ETF
FINANCIAL HIGHLIGHTS

	Year Ended February 28, 2025	Year Ended February 29, 2024	Year Ended February 28,		
			2023	2022	2021
PER SHARE DATA:					
Net asset value, beginning of year	\$ 22.66	\$ 25.89	\$ 28.42	\$ 26.95	\$ 26.31
INVESTMENT OPERATIONS:					
Net investment income ^(a)	0.86	0.91	0.91	0.77	0.68
Net realized and unrealized gain (loss) on investments ^(b)	2.80	(2.99)	(2.30)	2.17	1.00
Total from investment operations	<u>3.66</u>	<u>(2.08)</u>	<u>(1.39)</u>	<u>2.94</u>	<u>1.68</u>
LESS DISTRIBUTIONS FROM:					
Net investment income	(0.84)	(0.93)	(0.92)	(0.98)	(0.69)
Net realized gains	—	—	—	(0.23)	—
Return of capital	(0.36)	(0.22)	(0.22)	(0.26)	(0.35)
Total distributions	<u>(1.20)</u>	<u>(1.15)</u>	<u>(1.14)</u>	<u>(1.47)</u>	<u>(1.04)</u>
ETF transaction fees per share	—	—	—	—	0.00 ^(c)
Net asset value, end of year	<u>\$ 25.12</u>	<u>\$ 22.66</u>	<u>\$ 25.89</u>	<u>\$ 28.42</u>	<u>\$ 26.95</u>
Total return	16.44%	−8.08%	−4.88%	10.69%	7.29%
SUPPLEMENTAL DATA AND RATIOS:					
Net assets, end of year (in thousands)	\$38,313	\$60,042	\$99,682	\$129,331	\$70,082
Ratio of expenses to average net assets	0.60%	0.60%	0.60%	0.60%	0.60%
Ratio of net investment income (loss) to average net assets	3.54%	3.85%	3.43%	2.56%	2.93%
Portfolio turnover rate ^(d)	15%	18%	28%	28%	17%

^(a) Net investment income per share has been calculated based on average shares outstanding during the year.

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

^(c) Amount represents less than \$0.005 per share.

^(d) Portfolio turnover rate excludes in-kind transactions.

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

NOTE 1 – ORGANIZATION

NETLease Corporate Real Estate ETF (the “Fund”) is a non-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 track the performance, before fees and expenses, of the Fundamental Income Net Lease Real Estate Index (the “Index”). The Fund commenced operations on March 21, 2019.

The end of the reporting period for the Fund is February 28, 2025 and the period covered by these Notes to Financial Statements is the period from March 1, 2024 to February 28, 2025 (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.

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.

NETLEASE CORPORATE REAL ESTATE ETF
NOTES TO FINANCIAL STATEMENTS
February 28, 2025 (Continued)

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

The availability of observable inputs can vary from security to security and is affected by a wide variety of factors, including, for example, the type of security, whether the security is new and not yet established in the marketplace, the liquidity of markets, and other characteristics particular to the security.

To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3.

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

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

Assets[^]	Level 1	Level 2	Level 3	Total
Real Estate Investment Trusts	\$38,094,310	\$ —	\$ —	\$38,094,310
Short-Term Investments	208,949	—	—	208,949
Total Investments in Securities	\$38,303,259	\$ —	\$ —	\$38,303,259

[^] 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 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 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. 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. Interest income is recorded on an accrual basis.

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

NETLEASE CORPORATE REAL ESTATE ETF
NOTES TO FINANCIAL STATEMENTS
February 28, 2025 (Continued)

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 are declared and paid by the Fund on a monthly basis and distributions from 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, 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 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 and primarily relate to redemptions in-kind. During the fiscal year ended February 28, 2025, the following table shows the reclassifications made:

<u>Distributable Earnings</u> <u>(Accumulated Deficit)</u>	<u>Paid-In Capital</u>
\$1,969,726	\$(1,969,726)

- I. *New Accounting Pronouncement.* In November 2023, the FASB issued ASU 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures ("ASU 2023-07"). ASU 2023-07 is intended to improve reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses, allowing financial statement users to better understand the components of a segment's profit or loss and assess potential future cash flows for each reportable segment and the entity as a whole. The amendments expand a public entity's segment disclosures by requiring disclosure of significant segment expenses that are regularly provided to the chief operating decision maker, clarifying when an entity may report one or more additional measures to assess segment performance, requiring enhanced interim disclosures and providing new disclosure requirements for entities with a single reportable segment, among other new disclosure requirements.

Management has evaluated the impact of adopting ASU 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures with respect to the financial statements and disclosures and determined there is no material impact for the Fund. The Fund operates as a single segment entity. The Fund's income, expenses, assets, and performance are regularly monitored and assessed by the Adviser, who serves as the chief operating decision maker, using the information presented in the financial statements and financial highlights.

- J. *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.

NETLEASE CORPORATE REAL ESTATE ETF
NOTES TO FINANCIAL STATEMENTS
February 28, 2025 (Continued)

NOTE 3 – COMMITMENTS AND OTHER RELATED PARTY TRANSACTIONS

Exchange Traded Concepts, 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 (collectively, “Excluded Expenses”). For services provided to the Fund, the Fund pays the Adviser a unified management fee, calculated daily and paid monthly, at an annual rate of 0.60% based on the Fund’s average daily net assets.

The Adviser has entered into an arrangement with Fundamental Income Strategies, LLC (the “Index Provider”) pursuant to which the Adviser is permitted to use the Index. The Adviser is sub-licensing rights to the Index to the Fund at no charge. As part of the arrangement between the Index Provider and the Adviser, the Index Provider has agreed to assume the Adviser’s obligation to pay all expenses of the Fund except Excluded Expenses and, to the extent applicable, pay the Adviser a minimum fee.

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.

All officers of the Trust are affiliated with the Administrator and Custodian.

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 \$7,318,369, and \$7,320,915 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 and redemptions were \$624,626 and \$27,168,604, respectively.

NOTE 5 – INCOME TAX INFORMATION

The components of distributable earnings (accumulated deficit) and cost basis of investments for federal income tax purposes at February 28, 2025 were as follows:

Tax cost of investments	<u>\$ 43,204,953</u>
Gross tax unrealized appreciation	\$ 2,871,896
Gross tax unrealized depreciation	<u>(7,773,590)</u>
Net tax unrealized appreciation (depreciation)	(4,901,694)
Undistributed ordinary income	—
Undistributed long-term capital gain.	—
Other accumulated gain (loss).	<u>(13,990,786)</u>
Distributable earnings (accumulated deficit).	<u><u>\$(18,892,480)</u></u>

NETLEASE CORPORATE REAL ESTATE ETF
NOTES TO FINANCIAL STATEMENTS
February 28, 2025 (Continued)

The difference between the cost basis for financial statements and federal income tax purposes is primarily due to timing differences in recognizing losses on 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. At February 28, 2025, the fund deferred, on a tax-basis, no late year ordinary losses or post-October capital losses.

As of February 28, 2025, the Fund has \$3,540,110 of short-term capital loss carryforward, and \$10,450,676 of long-term capital loss carryforward available. These amounts do not have an expiration date.

The tax character of distributions paid by the Fund during the fiscal year ended February 28, 2025, was:

Ordinary Income	\$1,794,440
Return of Capital	655,560

The tax character of distributions paid by the Fund during the fiscal year ended February 29, 2024, was:

Ordinary Income	\$3,083,462
Return of Capital	717,913

NOTE 6 – SHARE TRANSACTIONS

Shares of the Fund are listed and traded 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 large blocks of shares, called "Creation Units." Creation Units are issued and redeemed principally in-kind for securities included in a specified universe. Once created, shares generally trade in the secondary market at market prices that change throughout the day. Except when aggregated in Creation Units, shares are not redeemable securities of the Fund. Creation Units may only be purchased or redeemed by 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 charge, and no redemption fee. A fixed transaction fee is imposed for the transfer and other transaction costs associated with the purchase or sale of Creation Units. The standard fixed transaction fee for the Fund is \$300, payable to the Custodian. The fixed transaction fee may be waived on certain orders if the Fund's Custodian has determined to waive some or all of the costs associated with the order or another party, such as the Adviser, has agreed to pay such fee. In addition, a variable fee may be charged on all cash transactions or substitutes for Creation Units 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 Share Transactions section of the Statements of Changes in Net Assets. All shares of the Fund have equal rights and privileges.

NOTE 7 – RISKS

Concentration Risk. The Index, and consequently the Fund, is expected to concentrate its investments in real estate companies. As a result, 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.

Non-Diversification Risk. Although the Fund intends to invest in a variety of securities and instruments, the Fund will be considered to be non-diversified, which means that it may invest more of its assets in the securities of a single issuer or a smaller number of issuers than if it were a diversified fund. As a result, the Fund may be more exposed to the risks associated with and developments affecting an individual issuer or a smaller number of issuers than a fund that

NETLEASE CORPORATE REAL ESTATE ETF
NOTES TO FINANCIAL STATEMENTS
February 28, 2025 (Continued)

invests more widely. This may increase the Fund's volatility and cause the performance of a relatively smaller number of issuers to have a greater impact on the Fund's performance.

REIT Investment Risk. Investments in REITs involve unique risks. REITs may have limited financial resources, may trade less frequently and in limited volume, and may be more volatile than other securities. In addition, to the extent the Fund holds interests in REITs, it is expected that investors in the Fund will bear two layers of asset-based management fees and expenses (directly at the Fund level and indirectly at the REIT level). The risks of investing in REITs include certain risks associated with the direct ownership of real estate and the real estate industry in general. These include risks related to general, regional and local economic conditions; fluctuations in interest rates and property tax rates; shifts in zoning laws, environmental regulations and other governmental action such as the exercise of eminent domain; cash flow dependency; increased operating expenses; lack of availability of mortgage funds; losses due to natural disasters; overbuilding; losses due to casualty or condemnation; changes in property values and rental rates; and other factors.

In addition to these risks, REITs are dependent upon management skills and generally may not be diversified. REITs are also subject to heavy cash flow dependency, defaults by borrowers and self-liquidation. In addition, REITs could possibly fail to qualify for the beneficial tax treatment available to REITs under the Internal Revenue Code of 1986, or to maintain their exemptions from registration under the Investment Company Act of 1940, as amended (the "1940 Act"). The Fund expects that dividends received from a REIT and distributed to Fund shareholders generally will be taxable to the shareholder as ordinary income, but may be taxable as return of capital. In the event of a default by a borrower or lessee, the REIT may experience delays in enforcing its rights as a mortgagee or lessor and may incur substantial costs associated with protecting investments.

NETLEASE CORPORATE REAL ESTATE ETF
REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders of NETLease Corporate Real Estate 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 NetLease Corporate Real Estate ETF (the “Fund”), a series of ETF Series Solutions, as of February 28, 2025, the related statement of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, the financial highlights for each of the five years in the period then ended, and the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as of February 28, 2025, the results of its operations for the year then ended, the changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended, 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 audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the 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 audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of February 28, 2025, by correspondence with the custodian. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

We have served as the auditor of one or more of Exchange Traded Concepts, LLC’s investment companies since 2012.

Cohen & Company, Ltd

COHEN & COMPANY, LTD.
Philadelphia, Pennsylvania
April 28, 2025

NETLEASE CORPORATE REAL ESTATE ETF

APPROVAL OF ADVISORY AGREEMENT & BOARD CONSIDERATIONS

Pursuant to Section 15(c) of the Investment Company Act of 1940 (the “1940 Act”), at a meeting held on October 9-10, 2024 (the “Meeting”), the Board of Trustees (the “Board”) of ETF Series Solutions (the “Trust”) approved the continuance of the Investment Advisory Agreement (the “Advisory Agreement”) between Exchange Traded Concepts, LLC (the “Adviser”) and the Trust, on behalf of NETLease Corporate Real Estate ETF (the “Fund”).

Prior to the Meeting, the Board, including the Trustees who are not parties to the Advisory Agreement or “interested persons” of any party thereto, as defined in the 1940 Act (the “Independent Trustees”), reviewed written materials (the “Materials”), including information from the Adviser regarding, among other things: (i) the nature, extent, and quality of the services provided to the Fund by the Adviser; (ii) the historical performance of the Fund; (iii) the cost of the services provided and the profits realized by the Adviser or its affiliates from services rendered to the Fund; (iv) comparative performance, fee, and expense data for the Fund and other investment companies with similar investment objectives, including a report prepared by Barrington Partners, an independent third party, that compares the Fund’s investment performance, fees and expenses to relevant market benchmarks and peer groups (the “Barrington Report”); (v) the extent to which any economies of scale realized by the Adviser in connection with its services to the Fund are shared with Fund shareholders; (vi) any other financial benefits to the Adviser and its affiliates resulting from services rendered to the Fund; and (vii) other factors the Board deemed to be relevant. The Board also met via videoconference approximately ten days before the Meeting to discuss their initial thoughts regarding the Materials and communicate to Trust officers their follow up questions, if any, that they would like the Adviser to address at the Meeting and/or through revised or supplemental Materials.

The Board also considered that the Adviser, along with other Fund service providers, had provided written and oral updates on the firm over the course of the year with respect to its role as investment adviser to the Fund as well as other series of the Trust, and the Board considered that information alongside the Materials in its consideration of whether the Advisory Agreement should be continued. Additionally, Adviser representatives provided an oral overview of the Fund’s strategy, the services provided to the Fund by the Adviser, and additional information about the Adviser’s personnel and business operations. The Board then discussed the Materials and the Adviser’s oral presentation, as well as any other relevant information received by the Board at the Meeting and at prior meetings, and deliberated, in light of this information, on the approval of the continuation of the Advisory Agreement.

Approval of the Continuation of the Advisory Agreement with the Adviser

Nature, Extent, and Quality of Services Provided. The Trustees considered the scope of services provided under the Advisory Agreement, noting that the Adviser had provided and would continue to provide investment management services to the Fund. In considering the nature, extent, and quality of the services provided by the Adviser, the Board considered the quality of the Adviser’s compliance program and past reports from the Trust’s Chief Compliance Officer (“CCO”) regarding the CCO’s review of the Adviser’s compliance program. The Board also considered its previous experience with the Adviser providing investment management services to the Fund as well as other series of the Trust. The Board noted that it had received a copy of the Adviser’s registration form and financial statements, as well as the Adviser’s response to a detailed series of questions that included, among other things, information about the Adviser’s decision-making process, the background and experience of the firm’s key personnel, and the firm’s compliance policies, marketing practices, and brokerage information.

The Board also considered other services provided by the Adviser to the Fund, including the day-to-day management of the Fund’s portfolio, monitoring the extent to which the Fund achieves its investment objective as an index-based fund, monitoring the Fund’s adherence to its investment restrictions, and monitoring the Fund’s compliance with Fund policies and procedures and applicable securities regulations. Additionally, the Board considered that the Adviser does not serve as the index provider to the Fund; rather, the Fund tracks an index created and owned by Fundamental Income Strategies, LLC.

Historical Performance. The Trustees next considered the Fund’s performance. The Board observed that additional information regarding the Fund’s past investment performance, for periods ended June 30, 2024, had been included in the Materials, including the Barrington Report, which compared the performance results of the Fund with the returns of a group of ETFs selected by Barrington Partners as most comparable (the “Peer Group”) as well as with funds in the Fund’s Morningstar category – U.S. Fund Real Estate (the “Category Peer Group”). The Board considered that the funds included in the Peer Group were all index-based ETFs in the U.S. real estate sector, but, unlike the Fund, the funds of the Peer Group do not focus on the net lease real estate sector. Additionally, at the Board’s request, the

NETLEASE CORPORATE REAL ESTATE ETF

APPROVAL OF ADVISORY AGREEMENT & BOARD CONSIDERATIONS (Continued)

Adviser identified the funds the Adviser considered to be the Fund's most direct competitors (the "Selected Peer Group") and provided the Selected Peer Group's performance results. The Adviser described the funds in the Selected Peer Group as ETFs that employ their own unique REIT investment index strategies.

The Board noted that, for each of the one-year, three-year, five-year, and since inception periods ended June 30, 2024, the Fund's performance on a gross of fees basis (i.e., excluding the effect of fees and expenses on Fund performance) slightly outperformed, but was generally consistent with, the performance of its underlying index, indicating that the Fund tracked its underlying index closely and in an appropriate manner. The Board also noted that the Fund significantly underperformed its broad-based benchmark, the S&P 500 Index, over the same periods. The Board considered, however, that the Fund's investors seek exposure to the net lease real estate sector, as offered by the Fund, not broad exposure to the large-cap U.S. equity market, as provided by the S&P 500 Index.

The Board also considered that, for the one-, three-, and five-year periods ended June 30, 2024, the Fund underperformed the median return of its Peer Group and Category Peer Group, but only slightly underperformed over the five-year period. In addition, the Board noted that the Fund underperformed each of the funds in its Selected Peer Group over the one- and three-year periods ended June 30, 2024. The Board took into consideration that the Peer Group, Category Peer Group, and Selected Peer Group each include ETFs that invest in companies in the broader real estate sector, rather than net lease real estate companies.

Cost of Services Provided and Economies of Scale. The Board then reviewed the Fund's fees and expenses. The Board took into consideration that the Adviser had charged, and would continue to charge, a "unified fee," meaning the Fund pays no expenses other than the advisory fee and, if applicable, certain other costs such as interest, brokerage, acquired fund fees and expenses, extraordinary expenses, and, to the extent it is implemented, fees pursuant to a Distribution and/or Shareholder Servicing (12b 1) Plan. The Board noted that the Adviser had been and would continue to be responsible for compensating the Trust's other service providers and paying the Fund's other expenses out of the Adviser's own fee and resources.

The Board noted that the Fund's net expense ratio was equal to its unified fee (described above). The Board compared the Fund's net expense ratio to those of its Peer Group and Category Peer Group, as shown in the Barrington Report, as well as its Selected Peer Group. The Board noted that although the Fund had the highest net expense ratio among the funds of its Peer Group, the Fund's net expense ratio was lower than the median net expense ratio of the Category Peer Group. In addition, the Board noted that the Fund's net expense ratio was higher than the net expense ratios of the other funds in its Selected Peer Group.

The Board then considered the Adviser's financial resources and information regarding the Adviser's ability to support its management of the Fund and obligations under the unified fee arrangement, noting that the Adviser had provided its financial statements for the Board's review. The Board also evaluated the compensation and benefits received by the Adviser from its relationship with the Fund, taking into account an analysis of the Adviser's profitability with respect to the Fund at various actual and projected Fund asset levels.

The Board also considered the Fund's expenses and advisory fee structure in light of its potential economies of scale. The Board noted that the Fund's unitary fee structure did not contain any management fee breakpoint reductions as Fund assets grow. The Board concluded, however, that the Fund's unitary fee structure reflects a sharing of economies of scale between the Adviser and the Fund at its current asset level. The Board also noted its intention to monitor fees as the Fund grows in size and assess whether advisory fee breakpoints may be warranted in the future should the Adviser realize economies of scale in its management of the Fund.

Conclusion. No single factor was determinative of the Board's decision to approve the continuation of the Advisory Agreement; rather, the Board based its determination on the total mix of information available to it. Based on a consideration of all the factors in their totality, the Board, including the Independent Trustees, unanimously determined that the Advisory Agreement, including the compensation payable under the agreement, was fair and reasonable to the Fund. The Board, including the Independent Trustees, unanimously determined that the approval of the continuation of the Advisory Agreement was in the best interests of the Fund and its shareholders.

NETLEASE CORPORATE REAL ESTATE ETF
FEDERAL TAX INFORMATION (Unaudited)

For the fiscal year ended February 28, 2025, certain dividends paid by the Fund may be subject to the maximum tax 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 0.29%.

For corporate shareholders, the percentage of ordinary income distributions qualifying for the corporate dividends received deduction for the fiscal year ended February 28, 2025 was 0.93%.

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%.

CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS

There were no changes in or disagreements with accountants during the period covered by this report.

PROXY DISCLOSURE

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

REMUNERATION PAID TO DIRECTORS, OFFICERS, AND OTHERS

All fund expenses, including Trustee compensation is paid by the Investment Adviser pursuant to the Investment Advisory Agreement. Additional information related to those fees is available in the Fund's Statement of Additional Information.