



# **Financial Statements**

## **December 31, 2024**

### **Tidal Trust III**

The BeeHive ETF | BEEX | NASDAQ Stock Market, LLC

The BeeHive ETF

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**The BeeHive ETF**  
**Schedule of Investments**  
**December 31, 2024**

<b>COMMON STOCKS - 96.0%</b>	<b>Shares</b>	<b>Value</b>
<b>Banking - 3.5%</b>		
JPMorgan Chase & Co.	23,830	\$ 5,712,289
<b>Consumer Discretionary Products - 0.5%</b>		
Aptiv PLC <sup>(a)</sup>	14,115	853,675
<b>Consumer Discretionary Services - 3.0%</b>		
Restaurant Brands International, Inc.	75,834	4,942,860
<b>Consumer Staple Products - 3.1%</b>		
Mondelez International, Inc. - Class A	84,622	5,054,472
<b>Financial Services - 9.9%</b>		
Fidelity National Information Services, Inc.	37,683	3,043,656
Fiserv, Inc. <sup>(a)</sup>	31,609	6,493,121
Intercontinental Exchange, Inc.	44,332	6,605,911
		<u>16,142,688</u>
<b>Health Care - 11.2%</b>		
Abbott Laboratories	29,062	3,287,204
Danaher Corp.	15,460	3,548,843
Illumina, Inc. <sup>(a)</sup>	28,716	3,837,319
Thermo Fisher Scientific, Inc.	14,554	7,571,427
		<u>18,244,793</u>
<b>Industrial Products - 5.1%</b>		
Airbus SE - ADR	123,979	4,938,703
Fortive Corp.	44,468	3,335,100
		<u>8,273,803</u>
<b>Industrial Services - 1.5%</b>		
Canadian Pacific Kansas City Ltd.	33,933	2,455,731
<b>Insurance - 11.9%</b>		
Aon PLC - Class A	15,830	5,685,503
Berkshire Hathaway, Inc. - Class B <sup>(a)</sup>	12,083	5,476,982
Chubb Ltd.	29,760	8,222,688
		<u>19,385,173</u>

**Materials - 5.5%**

Berry Global Group, Inc.	47,109	3,046,539
Crown Holdings, Inc.	38,458	3,180,092
Franco-Nevada Corp.	22,911	2,694,104
		<u>8,920,735</u>

**Media - 13.5%**

Alphabet, Inc. - Class A	50,765	9,609,815
Alphabet, Inc. - Class C	21,164	4,030,472
Comcast Corp. - Class A	101,543	3,810,909
Take-Two Interactive Software, Inc. <sup>(a)</sup>	23,897	4,398,960
		<u>21,850,156</u>

**Software & Tech Services - 17.4%**

Adobe, Inc. <sup>(a)</sup>	11,113	4,941,729
Microsoft Corp.	39,656	16,715,004
Oracle Corp.	38,720	6,452,301
		<u>28,109,034</u>

**Tech Hardware & Semiconductors - 9.9%**

Analog Devices, Inc.	19,020	4,040,989
Apple, Inc.	48,390	12,117,824
		<u>16,158,813</u>
<b>TOTAL COMMON STOCKS (Cost \$64,987,660)</b>		<u>156,104,222</u>

**REAL ESTATE INVESTMENT TRUSTS - 3.1%**

Prologis, Inc.	47,543	5,025,295
<b>TOTAL REAL ESTATE INVESTMENT TRUSTS (Cost \$4,285,838)</b>		<u>5,025,295</u>

**SHORT-TERM INVESTMENTS - 0.2%****Money Market Funds - 0.2%**

First American Government Obligations Fund - Class X, 4.41% <sup>(b)</sup>	284,800	284,800
<b>TOTAL SHORT-TERM INVESTMENTS (Cost \$284,800)</b>		<u>284,800</u>

**TOTAL INVESTMENTS - 99.3% (Cost \$69,558,298)**

Assets in Excess of Other Liabilities - 0.7%		1,208,470
<b>TOTAL NET ASSETS - 100.0%</b>		<u>\$ 162,622,787</u>

Percentages are stated as a percent of net assets.

ADR - American Depositary Receipt

PLC - Public Limited Company

<sup>(a)</sup> Non-income producing security.

<sup>(b)</sup> The rate shown represents the 7-day annualized effective yield as of December 31, 2024.

**STATEMENT OF ASSETS AND LIABILITIES****The BeeHive ETF****December 31, 2024****ASSETS:**

Investments, at value (Note 2)	\$ 161,414,317
Investment securities sold	1,228,370
Dividends and interest receivables	123,111
Prepaid expenses	3,275
Total assets	<u>162,769,073</u>

**LIABILITIES:**

Payable to adviser (Note 5)	113,260
Accrued fund service fees	2,280
Accrued other expenses	30,746
Total liabilities	<u>146,286</u>

<b>NET ASSETS</b>	<u><u>\$ 162,622,787</u></u>
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**NET ASSETS CONSISTS OF:**

Paid-in capital	\$ 71,372,021
Total distributable earnings/(accumulated losses)	91,250,766
<b>TOTAL NET ASSETS</b>	<u><u>\$ 162,622,787</u></u>

Net assets	\$ 162,622,787
Shares issued and outstanding <sup>(a)</sup>	7,185,622
Net asset value per share	<u><u>\$ 22.63</u></u>

**COST:**

Investments, at cost	<u><u>\$ 69,558,298</u></u>
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<sup>(a)</sup> Unlimited shares authorized without par value.

**STATEMENT OF OPERATIONS For the Year Ended December 31, 2024<sup>(a)</sup>****The BeeHive ETF****December 31, 2024****INVESTMENT INCOME:**

Dividend income (net of foreign withholding tax of \$103,890)	\$	1,731,480
Interest income		299,164
Total investment income		<u>2,030,644</u>

**EXPENSES:**

Investment advisory fee (Note 5)		1,248,734
Administration expense		183,634
Legal expense		46,332
Compliance fees		24,021
Printing and mailing expense		22,922
Other expenses		21,518
Transfer agent fees		18,838
Audit expense		17,674
Custody expenses		16,310
Directors expenses		11,683
Registration expense		9,003
Insurance expenses		7,737
Total expenses		<u>1,628,406</u>
Less: Investment advisory fee waiver (Note 5)		<u>(2,975)</u>
Net expenses		<u>1,625,431</u>
<b>NET INVESTMENT INCOME (LOSS)</b>		<u><u>405,213</u></u>

**REALIZED AND UNREALIZED GAIN (LOSS)**

Net realized gain (loss) on investments		13,163,639
Net change in unrealized appreciation (depreciation) on investments		2,988,978
Net realized and unrealized gain (loss)		<u>16,152,617</u>

**NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS****\$ 16,557,830**

<sup>(a)</sup> The Fund reorganized into Tidal Trust III on December 16, 2024. The Fund converted from a mutual fund to an exchange traded fund upon reorganization. See Note 3 in the Notes to the Financial Statements for additional information about the reorganization.

**STATEMENTS OF CHANGES IN NET ASSETS****The BeeHive ETF****December 31, 2024**

	<b>Year Ended December 31, 2024<sup>(a)</sup></b>	<b>Year Ended December 31, 2023</b>
<b>OPERATIONS:</b>		
Net investment income (loss)	\$ 405,213	\$ 937,734
Net realized gain (loss)	13,163,639	3,826,151
Net change in unrealized appreciation (depreciation)	2,988,978	23,290,556
<b>Net increase (decrease) in net assets resulting from operations</b>	<b>16,557,830</b>	<b>28,054,441</b>
<b>DISTRIBUTIONS TO SHAREHOLDERS:</b>		
Distributions to shareholders	(495,704)	(4,469,001)
<b>Total distributions to shareholders</b>	<b>(495,704)</b>	<b>(4,469,001)</b>
<b>CAPITAL TRANSACTIONS:</b>		
Subscriptions	25,868,677	965,291
Redemptions	(39,309,458)	(4,557,308)
Distributions reinvested	47,744	3,908,031
<b>Net increase (decrease) in net assets from capital transactions</b>	<b>(13,393,037)</b>	<b>316,014</b>
<b>NET INCREASE (DECREASE) IN NET ASSETS</b>	<b>2,669,089</b>	<b>23,901,454</b>
<b>NET ASSETS:</b>		
Beginning of year	159,953,698	136,052,244
End of year	\$ 162,622,787	\$ 159,953,698
<b>SHARES TRANSACTIONS</b>		
Subscriptions	1,139,547	50,733
Redemptions	(1,736,525)	(229,734)
Distributions reinvested	2,034	192,003
<b>Total increase (decrease) in shares outstanding</b>	<b>(594,944)</b>	<b>13,002</b>

<sup>(a)</sup> The Fund reorganized into Tidal Trust III on December 16, 2024. The Fund converted from a mutual fund to an exchange traded fund upon reorganization. See Note 3 in the Notes to the Financial Statements for additional information about the reorganization.

**FINANCIAL HIGHLIGHTS For a capital share outstanding throughout each year**
**The BeeHive ETF**
**December 31, 2024**

	Year ended December 31,				
	2024 <sup>(a)</sup>	2023	2022	2021	2020
Net asset value, beginning of year	\$ 20.56	\$ 17.52	\$ 22.09	\$ 19.32	\$ 17.00
<b>Income (Loss) from Investment Operations:</b>					
Net investment income (loss) <sup>(b)</sup>	0.05	0.12	0.02	0.02	0.04
Net realized and unrealized gain (loss) on investments <sup>(c)</sup>	2.09	3.51	(4.21)	3.97	2.61
Total from investment operations	<u>2.14</u>	<u>3.63</u>	<u>(4.19)</u>	<u>3.99</u>	<u>2.65</u>
<b>Less Distributions From:</b>					
Net investment income	(0.06)	(0.12)	(0.02)	(0.02)	(0.04)
Net realized gain	<u>(0.01)</u>	<u>(0.47)</u>	<u>(0.36)</u>	<u>(1.20)</u>	<u>(0.29)</u>
Total distributions	<u>(0.07)</u>	<u>(0.59)</u>	<u>(0.38)</u>	<u>(1.22)</u>	<u>(0.33)</u>
Net asset value, end of year	<u>\$ 22.63</u>	<u>\$ 20.56</u>	<u>\$ 17.52</u>	<u>\$ 22.09</u>	<u>\$ 19.32</u>
Total return <sup>(d)</sup>	<u>10.45%</u>	<u>20.75%</u>	<u>(19.02)%</u>	<u>20.79%</u>	<u>15.59%</u>
<b>Ratios / Supplemental Data:</b>					
Net assets, end of year (in thousands)	\$ 162,623	\$ 159,954	\$ 136,052	\$ 175,595	\$ 149,688
Ratio of expenses to average net assts					
Before management fees waived	0.98%	0.99%	0.98%	0.97%	0.99%
After management fees waived	0.98%	0.98%	0.98%	0.97%	0.98%
Ratio of net investment income (loss) to average net assets					
After management fees waived	0.24%	0.62%	0.12%	0.08%	0.23%
Portfolio turnover rate <sup>(e)</sup>	21%	6%	14%	14%	22%

<sup>(a)</sup> The Fund reorganized into Tidal Trust III on December 16, 2024. The Fund converted from a mutual fund to an exchange traded fund upon reorganization. See Note 3 in the Notes to the Financial Statements for additional information about the reorganization.

<sup>(b)</sup> Calculated using average shares outstanding method.

<sup>(c)</sup> Net realized and unrealized gain (loss) per share in the caption are balancing amounts necessary to reconcile the change in the net asset value per share for the period, and may not reconcile with the aggregate gain (loss) in the Statement of Operations due to share transactions for the year.

<sup>(d)</sup> The total return is based on the Fund's net asset value.

<sup>(e)</sup> Excludes the impact of in-kind transactions.



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**NOTE 1 – ORGANIZATION**

The BeeHive ETF (the “Fund”) is a diversified series of shares of beneficial interest of Tidal Trust III (the “Trust”). The Trust was organized as a Delaware statutory trust on May 19, 2016 and is registered with the Securities and Exchange Commission (the “SEC”) under the Investment Company Act of 1940, as amended (the “1940 Act”), as an open-end management investment company and the offering of the Fund’s shares (“Shares”) is registered under the Securities Act of 1933, as amended. The Trust is governed by its Board of Trustees (the “Board”). Tidal Investments LLC (“Tidal Investments” or the “Adviser”), a Tidal Financial Group company, serves as investment adviser to the Fund and Cannell & Spears LLC (the “Sub-Adviser”), serves as sub-adviser to the Fund. The Fund is an investment company and accordingly follows the investment company accounting and reporting guidance of the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification Topic 946 “Financial Services — Investment Companies.” The Beehive Fund (the “Predecessor Fund”) reorganized into the Trust as of end of business day on December 13, 2024. The Predecessor Fund commenced operations on September 2, 2008.

The investment objective of the Fund is to seek capital appreciation.

**NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES**

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

**Security Valuation.** Equity securities, which may include Real Estate Investment Trusts (“REITs”), that are listed on a securities exchange, market or automated quotation system for which quotations are readily available (except for securities traded on the NASDAQ Stock Market, LLC (“NASDAQ”)), including securities traded over-the-counter, are valued at the last quoted sale price on the primary exchange or market (foreign or domestic) on which they are traded on the valuation date (or at approximately 4:00 p.m. EST if a security’s primary exchange is normally open at that time), or, if there is no such reported sale on the valuation date, at the most recent quoted bid price or mean between the most recent quoted bid and ask prices for long and short positions. For a security that trades on multiple exchanges, the primary exchange will generally be considered the exchange on which the security is generally most actively traded. For securities traded on NASDAQ, the NASDAQ Official Closing Price will be used. Prices of securities traded on the securities exchange will be obtained from recognized independent pricing agents each day that the Fund is open for business.

Under Rule 2a-5 of the 1940 Act, a fair value will be determined for securities for which quotations are not readily available by the Valuation Designee (as defined in Rule 2a-5) in accordance with the Pricing and Valuation Policy and Fair Value Procedures, as applicable, of the Adviser, subject to oversight by the Board. When a security is “fair valued,” consideration is given to the facts and circumstances relevant to the particular situation, including a review of various factors set forth in the Adviser’s Pricing and Valuation Policy and Fair Value Procedures, as applicable. Fair value pricing is an inherently subjective process, and no single standard exists for determining fair value. Different funds could reasonably arrive at different values for the same security. The use of fair value pricing by a fund may cause the net asset value (“NAV”) of its shares to differ significantly from the NAV that would be calculated without regard to such considerations.

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

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

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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.

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 December 31, 2024:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b><u>Investments:</u></b>				
Common Stocks	\$ 156,104,222	\$ -	\$ -	\$ 156,104,222
Real Estate Investment Trusts	5,025,295	-	-	5,025,295
Money Market Funds	284,800	-	-	284,800
Total Investments	<u>\$ 161,414,317</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 161,414,317</u>

Refer to the Schedule of Investments for further disaggregation of investment categories.

**Federal Income Taxes.** The Fund has elected to be taxed as a “regulated investment company” and intends to distribute substantially all taxable income to its shareholders and otherwise comply with the provisions of the Internal Revenue Code applicable to regulated investment companies. Therefore, no provision for federal income taxes or excise taxes has been made.

In order to avoid imposition of the excise tax applicable to regulated investment companies, the Fund intends to declare as dividends in each calendar year at least 98.0% of its net investment income (earned during the calendar year) and at least 98.2% of its net realized capital gains (earned during the twelve months ended October 31) plus undistributed amounts, if any, from prior years. As a registered investment company, the Fund is subject to a 4% excise tax that is imposed if the Fund does not distribute by the end of any calendar year at least the sum of (i) 98.0% of its ordinary income (not taking into account any capital gain or loss) for the calendar year and (ii) 98.2% of its capital gain in excess of its capital loss (adjusted for certain ordinary losses) for a one year period generally ending on October 31 of the calendar year (unless an election is made to use the fund's fiscal year). The Fund generally intends to distribute income and capital gains in the manner necessary to minimize (but not necessarily eliminate) the imposition of such excise tax. The Fund may retain income or capital gains and pay excise tax when it is determined that doing so is in the best interest of shareholders. Management, in consultation with the Board

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of Trustees, evaluates the costs of the excise tax relative to the benefits of retaining income and capital gains, including that such undistributed amounts (net of the excise tax paid) remain available for investment by the Fund and are available to supplement future distributions. Tax expense is disclosed in the Statement of Operations, if applicable.

As of December 31, 2024, the Fund did not have any tax positions that did not meet the threshold of being sustained by the applicable tax authority. Generally, tax authorities can examine all the tax returns filed for the last three years. The Fund identifies its major tax jurisdiction as U.S. Federal and the Commonwealth of Delaware; however, the Fund is not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will change materially. The Fund recognizes interest and penalties, if any, related to unrecognized tax benefits on uncertain tax positions as income tax expense in the Statement of Operations.

**Securities Transactions and Investment Income.** Investment securities transactions are accounted for on the trade date. Gains and losses realized on sales of securities are determined on a specific identification basis. Discounts/premiums on debt securities purchased are accreted/amortized over the life of the respective securities using the effective interest method. Dividend income is recorded on the ex-dividend date. Dividends received from REITs generally are comprised of ordinary income, capital gains, and may include return of capital. Interest income is recorded on an accrual basis. Other non-cash dividends are recognized as investment income at the fair value of the property received. Withholding taxes on foreign dividends have been provided for in accordance with the Fund's understanding of the applicable country's tax rules and rates.

**Distributions to Shareholders.** Distributions to shareholders from net investment income, if any, for the Fund are declared and paid at least annually. Distributions to shareholders from net realized gains on securities, if any, for the Fund normally are declared and paid on an annual basis. Distributions are recorded on the ex-dividend date.

**Use of Estimates.** The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of increases and decreases in net assets from operations during the reporting period. Actual results could differ from those estimates.

**Share Valuation.** The NAV per share of the Fund is calculated by dividing the sum of the value of the securities held by the Fund, plus cash or other assets, minus all liabilities by the total number of shares outstanding for the Fund, rounded to the nearest cent. The Fund's shares will not be priced on the days on which NASDAQ is closed for trading.

**Guarantees and Indemnifications.** In the normal course of business, the Fund enters into contracts with service providers that contain general indemnification clauses. The Fund's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Fund that have not yet occurred. However, based on experience, the Fund expects the risk of loss to be remote.

**Illiquid Securities.** Pursuant to Rule 22e-4 under the 1940 Act, the Fund has adopted a Board-approved Liquidity Risk Management Program (the "Program") that requires, among other things, that the Fund limit its illiquid investments that are assets to no more than 15% of the value of the Fund's net assets. An illiquid investment is any investment that the Fund reasonably expects cannot be sold or disposed of in current market conditions in seven calendar days or less without the sale or disposition significantly changing the market value of the investment. If the Fund should be in a position where the value of illiquid investments held by the Fund exceeds 15% of the Fund's net assets, the Fund will take such steps as set forth in the Program.

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**Recently Issued Accounting Pronouncements.** In June 2022, FASB issued Accounting Standards Update 2022-03, which amends Fair Value Measurement (Topic 820): Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions (“ASU 2022-03”). ASU 2022-03 clarifies guidance for fair value measurement of an equity security subject to a contractual sale restriction and establishes new disclosure requirements for such equity securities. ASU 2022-03 is effective for fiscal years beginning after December 15, 2023 and for interim periods within those fiscal years, with early adoption permitted. The Fund is currently evaluating the impact, if any, of these amendments on the financial statements.

**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. These differences are primarily due to taxable overdistributions and the tax treatment of in-kind redemptions. For the year ended December 31, 2024, the following reclassifications were made:

<b>Paid-In Capital</b>	<b>Total Distributable Earnings/(Accumulated Losses)</b>
\$13,714,218	\$(13,714,218)

During the year ended December 31, 2024, the Fund realized \$13,748,913 in net capital gains resulting from in-kind redemptions, in which Authorized Participants exchanged Fund shares for securities held by the Fund rather than for cash. Because such gains are not taxable to the Fund, and are not distributed to shareholders, they have been reclassified from distributable earnings/(accumulated losses) to paid-in capital.

### NOTE 3 – REORGANIZATION APPROVAL

At a meeting held on October 4, 2024, the Board of The BeeHive Fund (the “Predecessor Fund”) approved an Agreement and Plan of Reorganization (the “Reorganization”) between the Trust, on behalf of the Fund, and the Forum Funds Trust, on behalf of the Predecessor Fund. At a special meeting of the shareholders held on November 26, 2024, the Predecessor Fund’s shareholders voted to approve the Reorganization between the Predecessor Fund and the Fund. The Reorganization provided for the transfer of all of the assets of the Predecessor Fund to the Fund and the assumption of the liabilities (other than any excluded liabilities) of the Predecessor Fund by the Fund. For financial reporting purposes, assets received and shares issued by the Fund were recorded at fair value; however, the cost basis of the investments received from the Predecessor Fund was carried forward to align ongoing reporting of the Fund’s realized and unrealized gains and losses with amounts distributable to shareholders for tax purposes. The Fund was created to carry out the reorganization and has substantially similar investment objectives and substantially similar principal investment strategies as the Predecessor Fund. The Predecessor Fund is the accounting and performance survivor in the Reorganization. Costs incurred by the Fund in connection with the reorganization were paid by the Sub-Adviser. The reorganization was effective after the close of business on December 13, 2024.

The following table illustrates the specifics of the reorganization of the Predecessor Fund into the Fund:

<b>Predecessor Fund Net Assets<sup>(3)</sup></b>	<b>Shares Issued to Shareholders of Predecessor Fund</b>	<b>Fund Net Assets</b>	<b>Combined Net Assets</b>	<b>Tax Status of Transfer</b>
\$162,488,697	6,985,622	\$0	\$162,488,697	Non-taxable

<sup>(3)</sup> Includes accumulated net investment income, accumulated realized losses and unrealized appreciation in the amounts of \$350,416, \$(275,986), and \$109,333,468, respectively. The market value and cost of the Predecessor Fund was \$162,420,155 and \$53,086,687, respectively.

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#### NOTE 4 – PRINCIPAL INVESTMENT RISKS

**Focused Portfolio Risk.** The Fund will hold a relatively focused portfolio that may contain securities of fewer issuers than the portfolios of other ETFs. Holding a relatively concentrated portfolio may increase the risk that the value of the Fund could go down because of the poor performance of one or a few investments.

**Equity Market Risks.** By virtue of the Fund's investments in equity securities, the Fund is exposed to common stocks which subjects the Fund to equity market risk. Common stocks are generally exposed to greater risk than other types of securities, such as preferred stock and debt obligations, because common stockholders generally have inferior rights to receive payment from specific issuers. Equity securities may experience sudden, unpredictable drops in value or long periods of decline in value. This may occur because of factors that affect securities markets generally or factors affecting specific issuers, industries, or sectors in which the Fund invests.

**General Market Risk.** Economies and financial markets throughout the world are becoming increasingly interconnected, which increases the likelihood that events or conditions in one country or region will adversely impact markets or issuers in other countries or regions. Securities in the Fund's portfolio may underperform in comparison to securities in the general financial markets, a particular financial market, or other asset classes, due to a number of factors, including inflation (or expectations for inflation), interest rates, global demand for particular products or resources, natural disasters or events, pandemic diseases, terrorism, regulatory events, and government controls.

As with any investment, there is a risk that you could lose all or a portion of your principal investment in the Fund. The Fund is subject to the above principal risks, as well as other principal risks which may adversely affect the Fund's NAV, trading price, yield, total return and/or ability to meet its objective. For more information about the risks of investing in the Fund, see the section in the Fund's Prospectus titled "Additional Information About the Fund — Principal Investment Risks."

#### NOTE 5 – COMMITMENTS AND OTHER RELATED PARTY TRANSACTIONS

The Adviser serves as investment adviser to the Fund pursuant to an investment advisory agreement between the Adviser and the Trust, on behalf of the Fund (the "Advisory Agreement"), and, pursuant to the Advisory Agreement, provides investment advice to the Fund and oversees the day-to-day operations of the Fund, subject to the direction and oversight of the Board. The Adviser is also responsible for trading portfolio securities for the Fund, including selecting broker-dealers to execute purchase and sale transactions. The Adviser provides oversight of the Sub-Adviser and review of the Sub-Adviser's performance.

Pursuant to the Advisory Agreement, the Fund pays the Adviser a unitary management fee (the "Investment Advisory Fee") based on the average daily net assets of the Fund at the annualized rate of 0.84%. Prior to the reorganization, the Predecessor Fund paid Cannell & Spears, LLC (the "Predecessor Adviser") a management fee of 0.75% based on the average daily net assets of the Fund. Prior to reorganizing into The BeeHive ETF, the Predecessor Adviser contractually agreed to limit the annual ratio of expenses to 0.99% of the Predecessor Fund's average daily net assets. Effective December 16, 2024, the Predecessor Adviser has waived any remaining reimbursement for fee reductions and/or expense payments.

Out of the Investment Advisory Fee, the Adviser is obligated to pay or arrange for the payment of substantially all expenses of the Fund, including the cost of sub-advisory, transfer agency, custody, fund administration, and all other related services necessary for the Fund to operate. Under the Advisory Agreement, the Adviser has agreed

December 31, 2024

to pay, or require the Sub-Adviser to pay, all expenses incurred by the Fund except for interest charges on any borrowings, dividends and other expenses on securities sold short, taxes, brokerage commissions and other expenses incurred in placing orders for the purchase and sale of securities and other investment instruments, acquired fund fees and expenses, accrued deferred tax liability, extraordinary expenses, distribution fees and expenses paid by the Fund under any distribution plan adopted pursuant to Rule 12b-1 under the 1940 Act (collectively, "Excluded Expenses"), and the Investment Advisory Fee payable to the Adviser. The Investment Advisory Fees incurred are paid monthly to the Adviser. Investment Advisory Fees for the year ended December 31, 2024 are disclosed in the Statement of Operations.

The Sub-Adviser serves as investment sub-adviser to the Fund, pursuant to a sub-advisory agreement between the Adviser and the Sub-Adviser with respect to the Fund (the "Sub-Advisory Agreement"). Pursuant to the Sub-Advisory Agreement, the Sub-Adviser is responsible for the day-to-day management of the Fund's portfolio, including determining the securities purchased and sold by the Fund, subject to the supervision of the Adviser and the Board. The Sub-Adviser is paid a fee by the Adviser, which is calculated and paid monthly, at an annual rate of 0.04% of the Fund's average daily net assets (the "Sub-Advisory Fee"). The Sub-Adviser has agreed to assume a portion of the Adviser's obligation to pay all expenses incurred by the Fund, except for the Sub-Advisory Fee payable to the Sub-Adviser and Excluded Expenses. For assuming the payment obligations for a portion of the Fund's expenses, the Adviser has agreed to pay the Sub-Adviser a corresponding share of profits, if any, generated by the Fund's Investment Advisory Fees, less a contractual fee retained by the Adviser. Expenses incurred by the Fund and paid by the Sub-Adviser include fees charged by Tidal (defined below), which is an affiliate of the Adviser.

Tidal ETF Services LLC ("Tidal"), a Tidal Financial Group company and an affiliate of the Adviser, serves as the Fund's administrator and, in that capacity, performs various administrative and management services for the Fund. Tidal coordinates the payment of Fund-related expenses and manages the Trust's relationships with its various service providers. Tidal 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. Prior to the reorganization on December 16, 2024, Apex Fund Services ("Apex") served as the Fund's fund administrator.

U.S. Bancorp Fund Services, LLC, doing business as U.S. Bank Global Fund Services ("Fund Services"), serves as the Fund's fund accountant and transfer agent. In those capacities, Fund Services performs various accounting services for the Fund. U.S. Bank N.A. (the "Custodian"), an affiliate of Fund Services, serves as the Fund's custodian. Prior to the reorganization on December 16, 2024, Apex Fund Services ("Apex") served as the Fund's fund accountant and transfer agent.

Foreside Fund Services, LLC (the "Distributor") acts as the Fund's principal underwriter in a continuous public offering of the Fund's shares.

Certain officers and a trustee of the Trust are affiliated with the Adviser. Neither the affiliated trustee nor the Trust's officers receive compensation from the Fund. Prior to the Fund's reorganization, certain officers and a trustee of the Predecessor Fund were affiliated with Apex.

The Board has adopted a Distribution (Rule 12b-1) Plan (the "Plan") pursuant to Rule 12b-1 under the 1940 Act. In accordance with the Plan, the Fund is authorized to pay an amount up to 0.25% of its average daily net assets each year to pay distribution fees for the sale and distribution of its Shares. No Rule 12b-1 fees are currently paid by the Fund, and there are no plans to impose these fees. However, in the event Rule 12b-1 fees are charged in the future, because the fees are paid out of the Fund's assets on an ongoing basis, over time these fees will increase the cost of your investment and may cost you more than certain other types of sales charges.

December 31, 2024

**NOTE 6 – SEGMENT REPORTING**

In accordance with the FASB Accounting Standards Update (ASU) 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures, the Fund has evaluated its business activities and determined that it operates as a single reportable segment.

The Fund's investment activities are managed by the Adviser, which serves as the Chief Operating Decision Maker ("CODM"). The Adviser is responsible for assessing the Fund's financial performance and allocating resources. In making these assessments, the Adviser evaluates the Fund's financial results on an aggregated basis, rather than by separate segments. As such, the Fund does not allocate operating expenses or assets to multiple segments, and accordingly, no additional segment disclosures are required.

The Fund primarily generates income through dividends, interest, and realized/unrealized gains on its investment portfolio. Expenses incurred, including management fees, fund operating expenses, and transaction costs, are considered general fund-level expenses and are not allocated to specific segments or business lines.

Management has determined that the Fund does not meet the criteria for disaggregated segment reporting under ASU 2023-07 and will continue to evaluate its reporting requirements in accordance with applicable accounting standards.

**NOTE 7 – PURCHASES AND SALES OF SECURITIES**

For the year ended December 31, 2024, the cost of purchases and proceeds from the sales or maturities of securities, excluding short-term investments, U.S. government securities, and in-kind transactions were \$33,038,767 and \$34,532,638, respectively.

For the year ended December 31, 2024, there were no purchases or sales of long-term U.S. government securities.

For the year ended December 31, 2024, in-kind transactions associated with creations and redemptions for the Fund were \$20,366,865 and \$16,167,736, respectively.

**NOTE 8 – INCOME TAXES AND DISTRIBUTIONS TO SHAREHOLDERS**

The tax character of distributions paid during the years ended December 31, 2024 and December 31, 2023, were as follows:

<b>Distributions paid from:</b>	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Ordinary Income	\$439,908	\$ 934,337
Long-Term Capital Gains	55,796	3,534,664

As of the most recent year ended December 31, 2024, the components of distributable earnings/(accumulated losses) on a tax basis were as follows:

	<b>December 31, 2024</b>
Investments, at cost <sup>(a)</sup>	\$ 69,588,889
Gross tax unrealized appreciation	92,026,326
Gross tax unrealized depreciation	(200,898)

December 31, 2024

Net tax unrealized appreciation (depreciation)	91,825,428
Undistributed ordinary income (loss)	-
Undistributed long-term capital gain (loss)	-
Total distributable earnings/(accumulated losses)	-
Other accumulated gain (loss)	(574,662)
Total distributable earnings/(accumulated losses)	\$ 91,250,766

(a) The difference between book and tax-basis unrealized appreciation was attributable primarily to the treatment of wash sales.

Net capital losses incurred after October 31 (post-October losses) and net investment losses incurred after December 31 (late-year losses), and within the taxable year, may be elected to be deferred to the first business day of the Fund's next taxable year. As of the most recent year ended December 31, 2024, the Fund had not elected to defer any post-October or late year losses. As of the most recent year ended December 31, 2024, the Fund had a short-term capital loss carryover of \$574,662, which does not expire.

#### NOTE 9 – SHARES TRANSACTIONS

Shares of the Fund are listed and traded on NASDAQ. Market prices for the shares may be different from their NAV. The Fund issues and redeems shares on a continuous basis at NAV, generally in large blocks of shares, called ("Creation Units"). Creation Units are issued and redeemed principally in-kind for securities included in a specified universe. Once created, shares generally trade in the secondary market at market prices that change throughout the day. Except when aggregated in Creation Units, shares are not redeemable securities of the Fund. Creation Units may only be purchased or redeemed by Authorized Participants. An Authorized Participant is either (i) a broker-dealer or other participant in the clearing process through the Continuous Net Settlement System of the National Securities Clearing Corporation or (ii) a Depository Trust Company participant and, in each case, must have executed a Participant Agreement with the Distributor. Most retail investors do not qualify as Authorized Participants nor have the resources to buy and sell whole Creation Units. Therefore, they are unable to purchase or redeem the shares directly from the Fund. Rather, most retail investors may purchase shares in the secondary market with the assistance of a broker and are subject to customary brokerage commissions or fees.

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

#### NOTE 10 – RECENT MARKET EVENTS

U.S. and international markets have experienced and may continue to experience significant periods of volatility in recent years and months due to a number of economic, political and global macro factors including rising



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December 31, 2024

inflation, uncertainty regarding central banks' interest rates, the possibility of a national or global recession, trade tensions, political events, the war between Russia and Ukraine, and significant conflict between Israel and Hamas in the Middle East. As a result of continuing political tensions and armed conflicts, including the war between Ukraine and Russia, the U.S. and the European Union imposed sanctions on certain Russian individuals and companies, including certain financial institutions, and have limited certain exports and imports to and from Russia. The war has contributed to recent market volatility and may continue to do so. The Middle East conflict has led to significant loss of life, damaged infrastructure and escalated tensions both in the region and globally. These developments, as well as other events, could result in further market volatility and negatively affect financial asset prices, the liquidity of certain securities and the normal operations of securities exchanges and other markets, despite government efforts to address market disruptions. As a result, the risk environment remains elevated. The Adviser and Sub-Adviser will monitor developments and seek to manage the Fund in a manner consistent with achieving the Fund's investment objective, but there can be no assurance that they will be successful in doing so.

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**NOTE 11 – SUBSEQUENT EVENTS**

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In preparing these financial statements, management has evaluated events and transactions for potential recognition or disclosure through the date the financial statements were issued. Management has determined that there are no subsequent events that would need to be recognized or disclosed in the Fund's financial statements.

## **REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Shareholders of The BeeHive ETF and  
Board of Trustees of Tidal Trust III

### **Opinion on the Financial Statements**

We have audited the accompanying statement of assets and liabilities, including the schedule of investments, of The BeeHive ETF (formerly The BeeHive Fund)(the “Fund”), a series of Tidal Trust III, as of December 31, 2024, the related statement of operations for the year then ended, the statements of changes in net assets and the financial highlights for each of the two years in the period then ended, and the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as of December 31, 2024, the results of its operations, the changes in net assets, and the financial highlights for each of the periods indicated above, in conformity with accounting principles generally accepted in the United States of America.

The Fund’s financial highlights for the years ended December 31, 2022, and prior, were audited by other auditors whose report dated February 24, 2023, expressed an unqualified opinion on those financial highlights.

### **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 audit to obtain reasonable assurance about whether the financial statements are free of material misstatement whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of December 31, 2024, by correspondence with the custodian and brokers. 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 Fund’s auditor since 2023. We have served as the auditor for one or more Tidal Investments LLC investment companies since 2020.



COHEN & COMPANY, LTD.  
Milwaukee, Wisconsin  
February 26, 2025

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December 31, 2024

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**QUALIFIED DIVIDEND INCOME/DIVIDENDS RECEIVED DEDUCTION**

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For the fiscal year ended December 31, 2024, certain dividends paid by the Fund may be subject to a maximum tax rate of 23.8%, as provided for by the Jobs and Growth Tax Relief Reconciliation Act of 2003 and the Tax Cuts and Jobs Act of 2017. The percentage of dividends declared from ordinary income designated as qualified dividend income was as follows:

The BeeHive ETF	100.00%
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For corporate shareholders, the percent of ordinary income distributions qualifying for the corporate dividends received deduction for the fiscal year ended December 31, 2024, was as follows:

The BeeHive ETF	100.00%
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The percentage of taxable ordinary income distributions that are designated as short-term capital gain distribution under Internal Revenue Section 871(k)(2)(c) for the fiscal year ended December 31, 2024, was as follows:

The BeeHive ETF	0.00%
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**Item 8. Changes in and Disagreements with Accountants for Open-End Investment Companies.**

There have been no changes in or disagreements with the Fund's accountants.

**Item 9. Proxy Disclosure for Open-End Investment Companies.**

At a special meeting of the shareholders held on November 26, 2024, the Fund's shareholders voted to approve an Agreement and Plan of Reorganization between Forum Funds, on behalf of the BeeHive Fund (the "Target Fund"), and Tidal Trust III (the "ETF Trust"), on behalf of The BeeHive ETF (the "Acquiring Fund"), a newly-created series of the ETF Trust, that provides for: (i) the acquisition of the assets and assumption of the liabilities of the Target Fund by the Acquiring Fund in exchange solely for shares of the Acquiring Fund of equal value (except for the value of any fractional shares held by Target Fund shareholders, which will be distributed in cash to Target Fund shareholders upon the closing of the reorganization), (ii) the pro rata distribution of such shares to the shareholders of the Target Fund, and (iii) the complete liquidation and dissolution of the Target Fund.

<b>For %</b>	<b>Against %</b>	<b>Abstain %</b>	<b>Non-Vote %</b>
55.61%	0.00%	0.00%	44.39%

**Item 10. Remuneration Paid to Directors, Officers, and Others of Open-End Investment Companies.**

See Item 7(a). Under the Investment Advisory Agreement, in exchange for a single unitary management fee from each Fund, the Adviser has agreed to pay all expenses incurred by the Fund, including Trustee compensation, except for certain excluded expenses.

**Item 11. Statement Regarding Basis for Approval of Investment Advisory Contract.**

Pursuant to Section 15(c) of the Investment Company Act of 1940 (the "1940 Act"), at a meeting held on December 3, 2024, the Board of Trustees (the "Board") of Tidal Trust III (the "Trust") considered the approval of the Investment Advisory Agreement (each, an "Advisory Agreement") between Tidal Investments LLC (the "Adviser") and the Trust, on behalf of The Beehive ETF (the "Beehive ETF.")

Pursuant to Section 15 of the 1940 Act, the Agreements must be approved by the vote of a majority of the Trustees who are not parties to the Agreements or "interested persons" of any party thereto, as defined in the 1940 Act (the "Independent Trustees"), cast in person at a meeting called for the purpose of voting on such approval. It was noted that in accordance with the SEC's temporary exemptive relief for in-person approvals, these approvals shall be ratified at the next in-person Board meeting.

In preparation for such meeting, the Board requested and reviewed a wide variety of information from the Adviser.

In reaching its decision, the Board, including the Independent Trustees, considered all factors it believed relevant, including: (i) the nature, extent and quality of the services to be provided to the Fund's shareholders by the Adviser; (ii) the costs of the services to be provided and the profits to be realized by the Adviser from services to be provided to the Funds, including any fall-out benefits; (iv) comparative fee and expense data for the Fund in relation to other investment companies with similar investment objectives;

(v) the extent to which economies of scale would be realized as the Fund grows and whether the advisory fees for the Fund reflects these economies of scale for the benefit of the Fund; and (vi) other financial benefits to the Adviser and their affiliates resulting from services rendered to the Funds. The Board's review included written and oral information furnished to the Board prior to and at the meeting held on December 3, 2024. Among other things, each of the Adviser provided responses to a detailed series of questions, which included information about the Adviser's operations, service offerings, personnel, compliance program and financial condition. The Board then discussed the written and oral information that it received before the meeting, and the Adviser's oral presentations and any other information that the Board received at the meeting and deliberated on the renewal of the Agreements in light of this information.

The Independent Trustees were assisted throughout the contract review process by independent legal counsel. The Independent Trustees relied upon the advice of such counsel and their own business judgment in determining the material factors to be considered in evaluating the renewal of the Agreements, and the weight to be given to each such factor. The conclusions reached with respect to the Agreement was based on a comprehensive evaluation of all the information provided and not any single factor. Moreover, each Trustee may have placed varying emphasis on particular factors in reaching conclusions with respect to the Fund. The Independent Trustees conferred amongst themselves and independent legal counsel in executive sessions both with and without representatives of management.

**Nature, Extent and Quality of Services to be Provided.** The Trustees considered the scope of services to be provided under the Advisory Agreement. In considering the nature, extent and quality of the services to be provided by the Adviser, the Board reviewed the Adviser's compliance infrastructure and its financial strength and resources. The Board also considered the experience of the personnel of the Adviser working with ETFs. The Board also considered other services to be provided to the Fund by the Adviser, such as selecting broker-dealers for executing portfolio transactions, monitoring adherence to the Fund's investment restrictions, and monitoring compliance with various Fund policies and procedures and with applicable securities regulations. Based on the factors above, as well as those discussed below, the Board concluded that it was satisfied with the nature, extent and quality of the services to be provided to the Fund by the Adviser based on their experience, personnel, operations and resources.

**Historical Performance.** The Board noted that the Fund had not yet commenced operations and that therefore there was no prior performance to review.

**Cost of Services Provided, Profitability and Economies of Scale.** The Board reviewed the proposed advisory fees for the Fund and compared them to the management fees and total operating expenses of its Peer Group. The Board noted that the comparisons to the total expense ratios were the most relevant comparisons, given the fact that the advisory fee for the Fund is a "unified fee."

The Board noted the importance of the fact that the proposed advisory fee for the Fund is a "unified fee," meaning that the shareholders of the Fund pay no expenses except for interest charges on any borrowings, dividends and other expenses on securities sold short, taxes, brokerage commissions and other expenses incurred in placing orders for the purchase and sale of securities and other investment instruments, acquired fund fees and expenses, accrued deferred tax liability, distribution fees and expenses paid by the Fund under any distribution plan adopted pursuant to Rule 12b-1 under the 1940 Act, litigation expenses, non-routine or extraordinary expenses, and the unitary management fee payable to the Adviser. The Board also noted that the Adviser was responsible for compensating the Trust's other service providers and paying the Fund's other expenses (except as noted above) out of its own fees and resources. The Board further noted that because the Fund is new, it was difficult to estimate the profitability of the Fund to the Adviser. The Board, however, considered collateral or "fall-out" benefits that the Adviser and its affiliates may derive as a result of their relationship with the Fund.

The Board noted that because the Fund is new, it also was difficult to estimate whether the Fund would experience economies of scale. The Board noted that the Adviser will review expenses as the Fund's assets grow. The Board determined to evaluate economies of scale on an ongoing basis if the Funds achieved asset growth.

**Conclusion.** No single factor was determinative to the decision of the Board. Based on the Board's deliberations and its evaluation of the information described above and such other matters as were deemed relevant, the Board, including the Independent Trustees, unanimously: (a) concluded that the terms of the Advisory are fair and reasonable; (b) concluded that each of the Adviser's fees are reasonable in light of the services that the Adviser will provide to the Fund; and (c) agreed to approve the Agreement for an initial term of two years.