UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

Annual report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
for the fiscal year ended December 31, 2024.

or

Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
for the transition period from ______ to ______.

Commission file number: 001-41280

VS Trust
(Exact name of registrant as specified in its charter)

Delaware	84-6704517
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

c/o Volatility Shares LLC
2000 PGA Boulevard, Suite 4440
Palm Beach Gardens, FL 33408
(Address of principal executive offices) (Zip Code)

(866) 261-0273
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
-1x Short VIX Futures ETF	SVIX	Cboe BZX Exchange
2x Long VIX Futures ETF	UVIX	Cboe BZX Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer", "accelerated filer", "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	Accelerated Filer
Non-Accelerated Filer	Smaller Reporting Company
Emerging Growth Company	

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statement of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act.). Yes No

As of February 28, 2025, the registrant had 13,497,473 shares of common stock, $0 par value per share, outstanding.

The aggregate market value of each Fund's units held by non-affiliates as of June 30, 2024 and the number of outstanding units for each Fund as of February 28, 2025, are included in the table below.

Fund	Aggregate Market Value of the Fund's Units Held by Non-Affiliates as of June 30, 2024	Number of Outstanding Units as of February 28, 2025
-1x Short VIX Futures ETF	$ 182,683,075	7,670,000
2x Long VIX Futures ETF	$ 82,382,210	5,827,473
Total	$ 265,065,285	

DOCUMENTS INCORPORATED BY REFERENCE:

None.

THE FINANCIAL STATEMENT SCHEDULES CONTAINED IN PART IV OF THIS ANNUAL REPORT ON FORM 10-K CONSTITUTE THE ANNUAL REPORT WITH RESPECT TO THE COMMODITY POOLS FOR PURPOSES OF COMMODITY FUTURES TRADING COMMISSION RULE 4.22(C)

VS Trust

Table of Contents

Part I.

Item 1. Business.

Summary

VS Trust (the "Trust") is a Delaware statutory trust formed on October 24, 2019 and is currently organized into separate series (each, a "Fund" and collectively, the "Funds"). As of September 30, 2022, the following two series of the Trust have commenced investment operations: -1x Short VIX Futures ETF ("SVIX") and 2x Long VIX Futures ETF ("UVIX"). Each of the Funds listed above issues common units of beneficial interest ("Shares"), which represent units of fractional undivided beneficial interest in and ownership of only that Fund. The Shares of each Fund are listed on the Cboe BZX Exchange ("Cboe BZX").

The Trust had no operations prior to March 28, 2022, other than matters relating to its organization, the registration of each series under the Securities Act of 1933, as amended.

Each Fund's investment exposure to VIX futures contracts will cause each to be deemed a commodity pool, thereby subjecting each Fund to regulation under the Commodity Exchange Act of 1934 ("CEA") and Commodity Futures Trading Commission ("CFTC") rules. The Sponsor is registered as a Commodity Pool Operator ("CPO") and the Fund will be operated in accordance with applicable CFTC rules. Registration as a CPO imposes additional compliance obligations on the Sponsor and the Funds related to additional laws, regulations and enforcement policies, which could increase compliance costs and may affect the operations and financial performance of the Funds.

Volatility Shares LLC (the "Sponsor") is the sponsor of the Trust and the Funds. The Sponsor also will serve as the Trust's commodity pool operator. The Funds are commodity pools, as defined under the Commodity Exchange Act (the "CEA"), and the applicable regulations of the CFTC and are operated by the Sponsor, which is registered as a commodity pool operator with the CFTC. The Trust is not an investment company registered under the Investment Company Act of 1940.

Volatility Shares LLC also serves as the Funds' sub-adviser (the "Commodity Sub-Adviser") and provides day-to-day portfolio management services to the Funds. Prior to September 16, 2024, Penserra Capital Management, LLC (the "Commodity Sub-Adviser") served as the Funds' commodity sub-adviser. Prior to November 1, 2022, Milliman FRM served as the Funds' commodity sub-adviser.

SVIX seeks daily investment results, before fees and expenses, that correspond to the performance of the Short VIX Futures Index (the "Short Index") for a single day, not for any other period. UVIX seeks daily investment results, before fees and expenses, that correspond to twice the performance of the Long VIX Futures Index (the "Long Index"). A "single day" is measured from the time a Fund calculates its net asset value ("NAV") to the time of the Fund's next NAV calculation. The NAV calculation time for a Fund typically is 4:00 p.m. (Eastern Time). The Short Index measures the daily inverse (i.e., opposite) performance of a portfolio of first- and second-month futures contracts on the CBOE Volatility Index, commonly known as the "VIX." The Long Index measures the performance of a portfolio of first- and second-month futures contracts on the VIX. Because the Funds' portfolios are rebalanced daily to meet their leveraged (or inverse) investment objective, the Funds may not be suitable for investors who plan to hold them for periods longer than one day, particularly in volatile markets.

The Funds seek to achieve their investment objective through the appropriate amount of exposure to the VIX futures contracts included in their respective index. The Funds also have the ability to engage in options transactions, swaps, forward contracts and other instruments in order to achieve their investment objective, in the manner and to the extent described herein.

SVIX is not benchmarked to the inverse of, and UVIX is not benchmarked to twice, the widely referenced VIX. The Short Index and the inverse of the VIX are separate measurements and can be expected to perform very differently. The Long Index and twice the VIX also are separate measurements and can be expected to perform very differently. As such, SVIX can be expected to perform very differently from the inverse (-1x) of the performance of the VIX over any period, and UVIX can be expected to perform very differently from twice (2x) of the performance of the VIX over any period. The Funds continuously offer and redeem Shares in blocks of at least 10,000 Shares (each such block, a "Creation Unit") at current per Share market prices. Only Authorized Participants (as defined herein) may purchase and redeem Shares from a Fund and then only in Creation Units. An Authorized Participant is an entity that has entered into an Authorized Participant Agreement with the Trust and Volatility Shares LLC (the "Sponsor"). Shares are offered on a continuous basis to Authorized Participants in Creation Units at NAV. Authorized Participants may then offer to the public, from time to time, Shares from any Creation Unit they create at a per-Share market price. The form of Authorized Participant Agreement and the related Authorized Participant Procedures Handbook set forth the terms and conditions under which an Authorized Participant may purchase or redeem a Creation Unit. Authorized Participants will not receive from a Fund, the Sponsor, or any of their affiliates, any fee or other compensation in connection with their sale of Shares to the public. An Authorized Participant may receive commissions or fees from investors who purchase Shares through their commission or fee-based brokerage accounts.

The Sponsor maintains a website at www.volatilityshares.com, through which monthly account statements and the Trust's Annual Report on Form 10- K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the "1934 Act"), can be accessed free of charge, as soon as reasonably practicable after such material is electronically file with, or furnished to, the U.S. Securities and Exchange Commission (the "SEC"). Additional information regarding the Trust may also be found on the SEC's EDGAR database at www.sec.gov.

Investment Objectives and Principal Investment Strategies

Investment Objectives

SVIX

SVIX seeks daily investment results, before fees and expenses, that correspond to the performance of the Short Index for a single day. **The Fund does not seek to achieve its stated objective over a period greater than a single day.** A "single day" is measured from the time the Fund calculates its NAV to the time of the Fund's next NAV calculation.

The Index measures the daily inverse performance of a portfolio of first and second month VIX futures contracts. This theoretical portfolio is rolled each day to maintain a consistent time to maturity of the futures contracts. The Index is calculated daily at 4:00 p.m. (Eastern time) and at a value calculated from the average price for the futures contracts between 3:45 p.m. (Eastern time) and 4:00 p.m. (Eastern time). Through this price averaging process — known as the Time Weighted Average Price (or TWAP). The Short Index inception date was November 22, 2019. Its ticker symbol is: SHORTVOL.

If SVIX is successful in meeting its objective, its value on a given day, before fees and expenses, should gain approximately as much on a percentage basis as the level of the Short Index. Conversely, its value on a given day, before fees and expenses, should lose approximately as much on a percentage basis as the level of the Short Index. Although the Fund seeks to track the performance of the Short Index each day, the Fund may not perfectly track the Short Index's performance over the same period, which is known as tracking error.

UVIX

UVIX seeks daily investment results, before fees and expenses, that correspond to twice (2x) the performance of the Long Index for a single day. **The Fund does not seek to achieve its stated objective over a period greater than a single day.** A "single day" is measured from the time the Fund calculates its NAV to the time of the Fund's next NAV calculation.

The Long Index measures the daily performance of a portfolio of long positions in first and second month VIX futures contracts. This theoretical portfolio is rolled each day to maintain a consistent time to maturity of the futures contracts. The Index is calculated daily at 4:00 p.m. (Eastern time) and at a value calculated from the average price for the futures contracts between 3:45 p.m. (Eastern time) and 4:00 p.m. (Eastern time). Through this price averaging process — known as the Time Weighted Average Price (or TWAP). The Long Index inception date is October 8, 2021. Its ticker symbol is: LONGVOL. If the Fund is successful in meeting its objective, its value on a given day, before fees and expenses, should gain or lose approximately as much on a percentage basis as twice (2x) the level of the Index. Although the Fund seeks to track twice (2x) the performance of the Index each day, the Fund may not perfectly achieve its objective over the same period, which is known as tracking error. For more information, see *Correlation Risk* on page 10.

The Fund is not designed to meet its investment objective over periods longer than one day. Notwithstanding, the table below shows a performance example of the how compounding impacts a 2x daily rebalanced investment referencing an index over periods longer than one day. Areas shaded lighter represent those scenarios where a hypothetical fund that seeks 2x daily returns of an index will return the same or outperform (i.e., return more than) 2x of the index performance; conversely, areas shaded darker represent those scenarios where the hypothetical fund will underperform (i.e., return less than) 2x of the index performance.

Principal Investment Strategies

In seeking to achieve each Fund's investment objective, the Commodity Sub-Adviser uses a mathematical approach to investing. Using this approach, the Commodity Sub-Adviser determines the type, quantity and mix of investment positions that it believes, in combination, should produce daily returns consistent with each Fund's objective.

Each Fund intends to meet its investment objective by investing all or substantially all of its assets in positions in first and second month VIX futures contracts, though it may invest in any one of, or combinations of, Financial Instruments (e.g., futures contracts, options contracts and swap transactions), such that a Fund typically has exposure intended to approximate the Index at the time of its NAV calculation. Under normal market conditions, SVIX's portfolio will comprise short positions, and UVIX's portfolio will comprise long positions, on first- and second-month VIX futures contracts. The number and type of these contracts will naturally change day-to-day as each Fund takes a daily rolling position in such contracts.

In the event that accountability rules, price limits, position limits, margin limits or other exposure limits are reached with respect to VIX futures contracts, the Sponsor may cause a Fund to obtain exposure to the Index through the use of options contracts or swap transactions referencing the VIX futures contracts. Each Fund may also invest in swaps if the market for a specific futures contract experiences emergencies (*e.g.*, natural disaster, terrorist attack or an act of God) or disruptions (*e.g.*, a trading halt or a flash crash) or in situations where the Sponsor deems it impractical or inadvisable to buy or sell futures contracts (such as during periods of market volatility or illiquidity).

Each Fund also may hold cash or cash equivalents such as U.S. Treasury securities or other high credit quality, short-term fixed-income or similar securities (such as shares of money market funds) as collateral for Financial Instruments and pending investment in Financial Instruments.

Neither Fund is actively managed by traditional methods (*e.g.,* by effecting changes in the composition of a portfolio on the basis of judgments relating to economic, financial and market conditions with a view toward obtaining positive results under all market conditions). Each Fund seeks to remain fully invested at all times in Financial Instruments and money market instruments that, in combination, provide exposure to the Index consistent with its investment objective without regard to market conditions, trends or direction.

Each Fund seeks to position its portfolio so that its exposure to its Benchmark is consistent with its investment objective. The time and manner in which the Fund rebalances its portfolio is defined by the Index methodology but may vary from day to day depending upon market conditions and other circumstances, deemed at the discretion of the Commodity Sub-Adviser, beneficial at tracking the Benchmark, or beneficial to the Fund holders.

The amount of exposure a Fund has to a specific combination of Financial Instruments may differ and may be changed without shareholder approval at any given time. Currently, SVIX seeks to be, under normal market conditions and absent any unforeseen circumstances, fully exposed to short positions in short-term VIX futures contracts, and UVIX seeks to be, under normal market conditions and absent any unforeseen circumstances, fully exposed to long positions in short-term VIX futures contracts. To the extent that any options or swap transaction entered into by a Fund are believed by the Fund to be “securities” under the Investment Company Act of 1940, the Fund will limit its investments in such transactions so that such investments, in combination, will not exceed 40 percent of the Fund’s assets (other than cash and government securities) and thereby avoid potentially being deemed an unregistered investment company.”

The amount of a Fund’s exposure should be expected to change from time to time at the discretion of the Sponsor based on market conditions and other factors.

In addition, the Sponsor has the power to change the Fund’s investment objective, Benchmark or investment strategy at any time, without shareholder approval, subject to applicable regulatory requirements.

Mitigating Price Impacts to VIX Futures Contract Prices at Times of Fund Rebalancing

The Sponsor will seek to minimize the market impact of rebalances across all exchange traded products based on VIX Futures Contracts that it sponsors (the “VIX ETPs”) on the price of VIX futures contracts by limiting VIX ETP participation, on any given day, in VIX futures contracts to no more than ten percent (10%) of the contracts traded on Cboe Futures Exchange, Inc. (“CFE”) during any “Rebalance Period,” defined as any fifteen minute period of continuous market trading. In the event that any VIX ETP (including each Fund) expects to hit the ten percent threshold during the primary Rebalance Period from 3:45 p.m. to 4:00 p.m. (Eastern time), the VIX ETPs would extend participation during periods of market illiquidity, the Sponsor, on any given day, may vary the manner and period over which all funds it sponsors are rebalanced, and as such, the manner and period over which a Fund is rebalanced.

The Short Index

The Short Index measures the daily inverse performance of a portfolio of first and second month VIX futures contracts. This theoretical portfolio is rolled each day to maintain a consistent time to maturity of the futures contracts.

The Short Index is calculated daily at 4:00 p.m. (Eastern time) from the average price of the VIX futures contracts between 3:45 p.m. and 4:00 p.m. (Eastern time).

The Short Index has an inception date of November 22, 2019.

The Long Index

The Long Index measures the daily performance of long positions in a portfolio of first and second month VIX futures contracts. This theoretical portfolio is rolled each day to maintain a consistent time to maturity of the futures contracts.

The Long Index is calculated daily at 4:00 p.m. (Eastern time) from the average price of the VIX futures contracts between 3:45 p.m. and 4:00 p.m. (Eastern time).

The Long Index has an inception date of October 8, 2021.

VIX Futures Contracts

Each Index is comprised of VIX futures contracts. VIX futures contracts were first launched for trading by the CBOE in 2004. VIX futures contracts allow investors to invest based on their view of the forward implied market volatility of the S&P 500. Investors that believe the forward implied market volatility of the S&P 500 will increase may buy VIX futures contracts. Conversely, investors that believe that the forward implied market volatility of the S&P 500 will decline may sell VIX futures contracts.

While the VIX represents a measure of the current expected volatility of the S&P 500 over the next 30 days, the prices of VIX futures contracts are based on the current expectation of the expected 30-day volatility of the S&P 500 on the expiration date of the futures contract. Since the VIX and VIX futures contracts are two distinctly different measures, the VIX and VIX futures contracts generally behave quite differently.

An important consequence of the spot/forward relationship between the VIX and VIX futures contracts (and therefore between the VIX and A Fund) that investors should understand is that the price of a VIX futures contract can be lower, equal to or higher than the VIX, depending on whether the market expects volatility to be lower, equal to or higher in the 30-day forward period covered by the VIX futures contract than in the 30- day spot period covered by the VIX. Therefore the performance of VIX Futures contracts should be expected to be very different than the performance of the VIX as there is no direct relationship between the two measures. As a result, since the performance of a Fund is linked to the performance of the VIX futures contracts included in the Index, a Fund should be expected to perform very differently from the VIX (or -1x or 2x thereof).

The VIX

The VIX is an index designed to measure the implied volatility of the S&P 500 over 30 days in the future. The VIX is calculated based on the prices of certain put and call options on the S&P 500. The VIX is reflective of the premium paid by investors for certain options linked to the level of the S&P 500.

- During periods of rising investor uncertainty, including periods of market instability, the implied level of volatility of the S&P 500 typically increases and, consequently, the prices of options linked to the S&P 500 typically increase (assuming all other relevant factors remain constant or have negligible changes). This, in turn, causes the level of the VIX to increase.

- During periods of declining investor uncertainty, the implied level of volatility of the S&P 500 typically decreases and, consequently, the prices of options linked to the S&P 500 typically decrease (assuming all other relevant factors remain constant or have negligible changes). This, in turn, causes the level of the VIX to decrease.

Volatility, and the level of the VIX, can increase (or decrease) without warning. The VIX was developed by the CBOE and is calculated, maintained and published by the CBOE. The CBOE may change the methodology used to determine the VIX and has no obligation to continue to publish, and may discontinue the publication of, the VIX. The VIX is reported by Bloomberg Finance L.P. under the ticker symbol "VIX."

The S&P 500

The S&P 500 is an index that measures large-cap U.S. stock market performance. It is a float-adjusted market capitalization weighted index of 500 U.S. operating companies and real estate investment trusts selected by the S&P U.S. Index Committee through a non-mechanical process that factors in criteria such as liquidity, price, market capitalization and financial viability. Reconstitution occurs both on a quarterly and ongoing basis. S&P publishes the S&P 500. The daily calculation of the current value of the S&P 500 is based on the relative value of the aggregate market value of the common stocks of 500 companies as of a particular time compared to the aggregate average initial market value of the common stocks of 500 similar companies at the time of the inception of the S&P 500. The 500 companies are not the 500 largest publicly traded companies and not all 500 companies are listed on the Exchange. S&P chooses companies for inclusion in the S&P 500 with the objective of achieving a distribution by broad industry groupings that approximates the distribution of these groupings in the common stock population of the U.S. equity market. S&P may from time to time, in its sole discretion, add companies to, or delete companies from, the S&P 500 to achieve the objectives stated above. Relevant criteria employed by S&P include the viability of the particular company, the extent to which that company represents the industry group to which it is assigned, the extent to which the company's common stock is widely held and the market value and trading activity of the common stock of that company.

Information about the Index Provider

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THE NEEDS OF VS TRUST ON BEHALF OF ITS APPLICABLE SERIES AND VOLATILITY SHARES LLC OR THE OWNERS OF THE FUNDS INTO CONSIDERATION IN DETERMINING, COMPOSING OR CALCULATING THE INDEX. S&P AND CBOE ARE NOT ADVISORS TO THE FUNDS AND ARE NOT RESPONSIBLE FOR AND HAVE NOT PARTICIPATED IN THE DETERMINATION OF THE PRICES AND AMOUNT OF THE FUNDS OR THE TIMING OF THE ISSUANCE OR SALE OF A FUND OR IN THE DETERMINATION OR CALCULATION OF THE EQUATION BY WHICH FUND SHARES ARE TO BE CONVERTED INTO CASH. S&P AND CBOE HAVE NO OBLIGATION OR LIABILITY IN CONNECTION WITH THE ADMINISTRATION, MARKETING, OR TRADING OF THE FUNDS.

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Information about Financial Instruments and Commodities Markets

Futures Contracts

A futures contract is a standardized contract traded on, or subject to the rules of, an exchange that calls for the future delivery of a specified quantity and type of a particular underlying asset at a specified time and place or alternatively may call for cash settlement. Futures contracts are traded on a wide variety of underlying assets, including bonds, interest rates, agricultural products, stock indexes, currencies, energy, metals, economic indicators and statistical measures. The notional size and calendar term futures contracts on a particular underlying asset are identical and are not subject to any negotiation, other than with respect to price and the number of contracts traded between the buyer and seller. A Fund generally deposits cash and/or securities with an FCM for its open positions in futures contracts, which may, in turn, transfer such deposits to the clearinghouse to protect the clearing house against non-payment by the Fund. The clearing house becomes substituted for each counterparty to a futures contract, and, in effect, guarantees performance. In addition, the FCM may require a Fund to deposit collateral in excess of the clearing house's margin requirements for the FCM's own protection.

Certain futures contracts, including stock index contracts, VIX futures contracts and certain commodity futures contracts settle in cash. The cash settlement amount reflects the difference between the contract purchase/sale price and the contract settlement price. The cash settlement mechanism avoids the potential for either side to have to deliver the underlying asset. For other futures contracts, the contractual obligations of a buyer or seller may generally be satisfied by taking or making physical delivery of the underlying asset or by making an offsetting sale or purchase of an identical futures contract on the same or linked exchange before the designated date of delivery. The difference between the price at which the futures contract is purchased or sold and the price paid for the offsetting sale or purchase, after allowance for brokerage commissions and exchange fees, constitutes the profit or loss to the trader.

Futures contracts involve, to varying degrees, elements of market risk and exposure to loss in excess of the amounts of variation margin, which are the amounts of cash that a Fund agrees to pay to or receive from FCMs equal to the daily fluctuation in the value of a futures contract. Additional risks associated with the use of futures contracts are imperfect correlation between movements in the price of the futures contracts and the level of the underlying benchmark and the possibility of an illiquid market for a futures contract. With futures contracts, there is minimal but some counterparty risk to a Fund since futures contracts are exchange traded and the exchange's clearing house, as counterparty to all exchange-traded futures contracts, effectively guarantees futures contracts against default. Many futures exchanges and boards of trade limit the amount of fluctuation permitted in futures contract prices during a single trading day. Once the daily limit has been reached in a particular contract, no trades may be made that day at a price beyond that limit or trading may be suspended for specified times during the trading day. Futures contracts prices could move to the limit for several consecutive trading days with little or no trading, thereby preventing prompt liquidation of futures positions and potentially subjecting a Fund to substantial losses. If trading is not possible or if a Fund determines not to close a futures position in anticipation of adverse price movements, the Fund may be required to make daily cash payments of variation margin.

Futures Account Agreements

Each Fund has entered into a written agreement (each, a “Futures Account Agreement”) with one or more FCMs governing the terms of futures transactions of a Fund cleared by such FCM. Each FCM has its own agreement and other documentation used for establishing customer relationships. As such, the terms of the Futures Account Agreement and other documentation that a Fund has with a particular FCM may differ in material respects from that with another FCM.

Most Futures Account Agreements do not require the FCM to enter into new transactions or maintain existing transactions with a Fund. In general, each FCM is permitted to terminate its agreement with a Fund at any time in its sole discretion. In addition, an FCM generally will have the discretion to set margin requirements and/or position limits that would be in addition to any margin requirements and/or position limits required by applicable law, set by the exchange, or set by the clearing house that clears the futures contracts in which a Fund transacts. As a result, a Fund’s ability to engage in futures transactions or maintain open positions in such contracts will be dependent on the willingness of its FCMs to continue to accept or maintain such transactions on terms that are economically appropriate for a Fund’s investment strategy.

When a Fund has an open futures contract position, it is subject to at least daily variation margin calls by an FCM that could be substantial in the event of adverse price movements. Because futures contracts may require only a small initial investment in the form of a deposit or margin, they may involve a high degree of leverage. A Fund with open positions is subject to maintenance or variance margin on its open positions. If a Fund has insufficient cash to meet daily variation margin requirements, it may need to sell Financial Instruments at a time when such sales are disadvantageous. Futures markets are highly volatile and the use of or exposure to futures contracts may increase volatility of a Fund’s NAV.

Margin posted by a Fund to an FCM typically will be held by relevant exchange’s clearing house (in the case of clearing house-required margin) or the FCM (in the case of “house” margin requirements of the FCM). In the event that market movements favorable to a Fund result in the Fund having posted more margin than is required, the Fund typically would have a right to return of margin from the FCM. However, the timing of such return may be uncertain. As a result, it is possible that a Fund may face liquidity constraints including potential delays in its ability to pay redemption proceeds, where margin is not immediately returned by an FCM.

In the event that a Fund fails to comply with its obligations under a Futures Account Agreement (including, for example, failing to deliver the margin required by an FCM on a timely basis), the Futures Account Agreement typically will provide the FCM with broad discretion to take remedial action against the Fund. Among other things, the FCM typically will have the right, upon the occurrence of such a failure by a Fund, to terminate any or all futures contracts in the Fund’s account with that FCM, to sell the collateral posted as margin by the Fund, to close out any open positions of the Fund in whole or in part, and to cancel any or all pending transactions with the Fund. Futures Account Agreements typically provide that the Fund will remain liable for paying to the relevant FCM, on demand, the amount of any deficiency in a Fund’s account with that FCM.

The Futures Account Agreement between the Fund and an FCM generally requires the Fund to indemnify and hold harmless the FCM, its directors, officers, employees, agents and affiliates (collectively, “indemnified persons”) from and against all claims, damages, losses and costs (including reasonable attorneys’ fees) incurred by the indemnified persons, in connection with: (1) any failure by the Fund to perform its obligations under the Futures Account Agreement and the FCM’s exercise of its rights and remedies thereunder; (2) any failure by the Fund to comply with applicable law; (3) any action reasonably taken by the indemnified persons pursuant to the Futures Account Agreement to comply with applicable law; and (4) any actions taken by the FCM in reliance on instructions, notices and other communications that the FCM and its relevant personnel, as applicable, reasonably believes to originate from a person authorized to act on behalf of the Fund.

To the extent that the Fund trades in futures contracts on U.S. exchanges, the assets deposited by the Fund with the FCMs (or another eligible financial institution, as applicable) as margin must be segregated pursuant to the regulations of the CFTC. Such segregated funds may be invested only in a limited range of instruments — principally U.S. government obligations to margin futures and forward contract positions.

Each Fund currently uses each of the following firms as an FCM: ADM Investor Services, Inc. (“ADMIS”), Advantage Futures LLC (“Advantage”), Marex North America LLC (“Marex”), StoneX Financial Inc. — FCM, Straits Financial LLC, E D& F Man Capital Markets Inc. and RBC Capital Markets, LLC (“RBC Capital”). The FCMs used by a Fund may change from time to time. The above discussion relating to an FCM also would apply to other firms that serve as an FCM to a Fund in the future. Each FCM in its capacity as a registered FCM, serves as a clearing broker to the Trust and a Fund and certain other funds of the Trust and as such arranges for the execution and clearing of a Fund’s futures transactions. Each FCM acts as clearing broker for many other funds and individuals. A variety of executing brokers may execute futures transactions on behalf of the Funds. The executing brokers will give-up all such transactions to an FCM as applicable. Each FCM is registered as an FCM with the CFTC, is a member of the NFA and a clearing member of the CBOT, CME, NYMEX, or another major U.S. commodity exchange. No FCM is affiliated with or acts as a supervisor of the Trust, the Funds, the Sponsor, the Commodity Sub-Adviser, the Trustee, the Administrator, Sub-Administrator, Transfer Agent, or the Custodian. No FCM acts as an underwriter or sponsor of the offering of the Shares, or has passed upon the merits of participating in this offering or has passed upon the adequacy of this Prospectus or on the accuracy of the information contained herein. No FCM provides any commodity trading advice regarding a Fund's trading activities. Investors should investors should also note that the Sponsor may select additional clearing brokers or replace any FCM as a Fund's clearing broker.

Options

An option is a contract that gives the purchaser of the option, in return for the premium paid, the right to buy an underlying reference instrument, such as a specified security, currency, index, or other instrument, from the writer of the option (in the case of a call option), or to sell a specified reference instrument to the writer of the option (in the case of a put option) at a designated price during the term of the option. The premium paid by the buyer of an option will reflect, among other things, the relationship of the exercise price to the market price and the volatility of the underlying reference instrument, the remaining term of the option, supply, demand, interest rates and/or currency exchange rates. An American style put or call option may be exercised at any time during the option period while a European style put or call option may be exercised only upon expiration or during a fixed period prior thereto. Put and call options are traded on national securities exchanges and in the OTC market. Options traded on national securities exchanges are within the jurisdiction of the SEC or other appropriate national securities regulator, as are securities traded on such exchanges. As a result, many of the protections provided to traders on organized exchanges will be available with respect to such transactions. In particular, all option positions entered into on a national securities exchange in the United States are cleared and guaranteed by the Options Clearing Corporation, thereby reducing the risk of counterparty default. Furthermore, a liquid secondary market in options traded on a national securities exchange may be more readily available than in the OTC market, potentially permitting a Fund to liquidate open positions at a profit prior to exercise or expiration, or to limit losses in the event of adverse market movements. There is no assurance, however, that higher than anticipated trading activity or other unforeseen events might not temporarily render the capabilities of the Options Clearing Corporation inadequate, and thereby result in the exchange instituting special procedures which may interfere with the timely execution of a Fund's orders to close out open options positions.

Swap Agreements

Swaps are contracts that have traditionally been entered into primarily by institutional investors in OTC markets for a specified period ranging from a day to many years. Certain types of swaps may be cleared, and certain types are, in fact, required to be cleared. The types of swaps that may be cleared are generally limited to only swaps where the most liquidity exists and a clearing organization is willing to clear the trade on standardized terms. Swaps with customized terms or those for which significant market liquidity does not exist are generally not able to be cleared.

In a standard swap transaction, the parties agree to exchange the returns on, among other things, a particular predetermined security, commodity, interest rate, or index for a fixed or floating rate of return (the "interest rate leg," which will also include the cost of borrowing for short swaps) in respect of a predetermined notional amount. The notional amount of the swap reflects the extent of a Fund's total investment exposure under the swap.

In the case of futures contracts-based indexes, such as those used by a Fund, the reference interest rate typically is zero, although a financing spread or fee is generally still applied. Transaction or commission costs are reflected in the benchmark level at which the transaction is entered into. The gross returns to be exchanged are calculated with respect to the notional amount and the benchmark returns to which the swap is linked. Swaps are usually closed out on a net basis, *i.e.*, the two payment streams are netted out in a cash settlement on the payment date specified in the agreement, with the parties receiving or paying, as the case may be, only the net amount of the two payments. Thus, while the notional amount reflects a Fund's total investment exposure under the swap (*i.e.*, the entire face amount or principal of a swap), the net amount is the Fund's current obligations (or rights) under the swap. That is the amount to be paid or received under the agreement based on the relative values of the positions held by each party to the agreement on any given termination date.

Swaps may also expose a Fund to liquidity risk. Although a Fund may have the ability to terminate a swap at any time, doing so may subject the Fund to certain early termination charges. In addition, there may not be a liquid market within which to dispose of an outstanding swap even if a permitted disposal might avoid an early termination charge. Uncleared swaps generally are not assignable except by agreement between the parties to the swap, and generally no party or purchaser has any obligation to permit such assignments.

Swaps involve, to varying degrees, elements of market risk and exposure to loss in excess of the amount which would be reflected on a Fund's Statement of Financial Condition. In addition to market risk and other risks, the use of swaps also comes with counterparty credit risk — *i.e.*, the inability of a counterparty to a swap to perform its obligations. A Fund that invests in swaps bears the risk of loss of the net amount, if any, expected to be received under a swap agreement in the event of the default or bankruptcy of a swap counterparty. A Fund enters or intends to enter into swaps only with major, global financial institutions. However, there are no limitations on the percentage of its assets a Fund may invest in swaps with a particular counterparty.

A Fund that invests in swaps may use various techniques to minimize counterparty credit risk. A Fund that invests in swaps generally enters into arrangements with its counterparties whereby both sides exchange collateral on a mark-to-market basis. In addition, the Fund may post "initial margin" or "independent amount" to counterparties in swaps. Such collateral serves as protection for the counterparty in the event of a failure by the Fund and is in addition to any mark-to-market collateral that (*i.e.*, the Fund may post initial margin to the counterparty even where the counterparty would owe money to the Fund if the swap were to be terminated). The amount of initial margin posted by the Fund may vary depending on the risk profile of the swap. The collateral, whether for mark-to-market or for initial margin, generally consists of cash and/or securities.

Collateral posted by a Fund to a counterparty in connection with uncleared derivatives transactions is generally held for the benefit of the counterparty in a segregated tri-party account at a third-party custodian to protect the counterparty against non-payment by the Fund. In the event of a default by a Fund where the counterparty is owed money in the uncleared swap transaction, such counterparty will seek withdrawal of this collateral from the segregated account.

Collateral posted by the counterparty to a Fund is typically held for the benefit of the Fund in a segregated tri-party account at a third-party custodian. In the event of a default by the counterparty where the Fund is owed money in the uncleared swap transaction, the Fund will seek withdrawal of this collateral from the segregated account. The Fund may incur certain costs exercising its right with respect to the collateral.

Notwithstanding the use of collateral arrangements, to the extent any collateral provided to a Fund is insufficient or there are delays in accessing the collateral, a Fund will be exposed to counterparty risk as described above, including possible delays in recovering amounts as a result of bankruptcy proceedings.

Money Market Instruments

Money market instruments are short-term debt instruments that have a remaining maturity of 397 days or less and exhibit high quality credit profiles. Money market instruments may include U.S. government securities, securities issued by governments of other developed countries and repurchase agreements.

U.S. Derivatives Exchanges

Derivatives exchanges, including swap execution facilities that are required under the Dodd-Frank Act, provide centralized market facilities for trading derivatives in which multiple persons have the ability to execute or trade contracts by accepting bids and offers from multiple participants. Members of, and trades executed on, a particular exchange are subject to the rules of that exchange. Among the principal exchanges in the United States are the CBOE (which includes the CBOE Futures Exchange (the "CFE")), the Chicago Mercantile Exchange ("CME") (which includes, among others, the Chicago Board of Trade ("CBOT") and the New York Mercantile Exchange (the "NYMEX") and the Intercontinental Exchange ("ICE")).

Each derivatives exchange in the United States has an associated "clearing house." Clearing houses provide services designed to transfer credit risk and ensure the integrity of trades. Once trades between members of an exchange have been confirmed and/or cleared, the clearing house becomes substituted for each buyer and each seller of contracts traded on the exchange and, in effect, becomes the other party to each trader's open position in the market. Thereafter, each party to a trade looks only to the clearing house for performance. The clearing house generally establishes some sort of security or guarantee fund to which all clearing members of the exchange must contribute. This fund acts as an emergency buffer which is intended to enable the clearing house to meet its obligations with regard to the other side of an insolvent clearing member's contracts. Furthermore, clearing houses require margin deposits and continuously mark positions to market to provide some assurance that their members will be able to fulfil their contractual obligations. Thus, members effecting derivatives transactions on an organized exchange or clearing an OTC derivatives transaction through a clearing house do not bear the risk of the insolvency of the party on the opposite side of the trade; their credit risk is limited to the respective solvencies of their commodity broker and the clearing house. The clearing house "guarantee" of performance on open positions does not run to customers. If a member firm goes bankrupt, customers could lose money.

If a Fund decides to execute derivatives transactions through such derivatives exchanges — and especially if it decides to become a direct member of one or more exchanges or swap execution facilities — the Fund would be subject to the rules of the exchange or swap executive facility, which would bring additional risks and liabilities, and potential additional regulatory requirements.

Regulations

Derivatives exchanges in the United States are subject to regulation under the CEA, by the CFTC, the governmental agency having responsibility for regulation of derivatives exchanges and trading on those exchanges. Following the adoption of the Dodd-Frank Act, the CFTC also has authority to regulate OTC derivatives markets, including certain OTC foreign exchange markets.

The CFTC has exclusive authority to designate exchanges for the trading of specific futures contracts and to prescribe rules and regulations of the marketing of each. The CFTC also regulates the activities of "commodity pool operators" and the CFTC has adopted regulations with respect to certain of such persons' activities. Pursuant to its authority, the CFTC requires a commodity pool operator, such as the Sponsor, to keep accurate, current and orderly records with respect to each pool it operates. The CFTC may suspend, modify or terminate the registration of any registrant for failure to comply with CFTC rules or regulations. Suspension, restriction or termination of the Sponsor's registration as a commodity pool operator would prevent it, until such time (if any) as such registration were to be reinstated, from managing, and might result in the termination of the Fund. If the Sponsor were unable to provide services and/or advice to the Fund, the Fund would be unable to pursue its investment objective unless and until the Sponsor's ability to provide services and advice to the Fund was reinstated or a replacement for the Sponsor as commodity pool operator could be found. Such an event could result in termination of the Fund.

The CEA requires all FCMs to meet and maintain specified fitness and financial requirements, segregate customer funds from proprietary funds and account separately for all customers' funds and positions, and to maintain specified books and records open to inspection by the staff of the CFTC.

The CEA also gives the states certain powers to enforce its provisions and the regulations of the CFTC.

Under certain circumstances, the CEA grants shareholders the right to institute a reparations proceeding before the CFTC against the Sponsor (as a registered commodity pool operator), an FCM, as well as those of their respective employees who are required to be registered under the CEA. Shareholders may also be able to maintain a private right of action for certain violations of the CEA.

Pursuant to authority in the CEA, the NFA has been formed and registered with the CFTC as a registered futures association. At the present time, the NFA is the only self-regulatory organization for commodities professionals other than exchanges. As such, the NFA promulgates rules governing the conduct of commodity professionals and disciplines those professionals that do not comply with such standards. The CFTC has delegated to the NFA responsibility for the registration of commodity pool operators, FCMs, swap dealers, commodity trading advisors, introducing brokers and their respective associated persons and floor brokers. The Sponsor is a member of the NFA (each Fund itself is not required to become members of the NFA). As an NFA member, the Sponsor is subject to NFA standards relating to fair trade practices, financial condition, and consumer protection.

The CEA and CFTC regulations prohibit market abuse and generally require that all futures exchange-based trading be conducted in compliance with rules designed to ensure the integrity of market prices and without any intent to manipulate prices. CFTC regulations and futures exchange rules also impose limits on the size of the positions that a person may hold or control as well as standards for aggregating certain positions. The rules of the CFTC and the futures exchanges also authorize special emergency actions to halt, suspend or limit trading overall or to restrict, halt, suspend or limit the trading of an individual trader or to otherwise impose special reporting or margin requirements.

Each Fund's investments in Financial Instruments will be subject to regulation under the CEA and traded pursuant to CFTC and applicable exchange regulations.

Daily Limits

Most U.S. futures exchanges (but generally not foreign exchanges or banks or dealers in the cases of swap agreements) limit the amount of fluctuation in some futures contract or options contract prices during a single day by regulations. These regulations specify what are referred to as "daily price fluctuation limits" or more commonly "daily limits." Once the daily limit has been reached in a particular futures contract, no trades may be made at a price beyond that limit. Currently, CBOE limits daily VIX futures contracts to no more than 50,000 per entity.

Margin

"Initial" or "original" margin is the minimum dollar amount that a counterparty to a cleared derivatives contract must deposit with its commodity broker in order to establish an open position. "Maintenance" or "variation" margin is the amount (generally less than initial margin) to which a trader's account may decline before he must deliver additional margin so as to maintain open positions. A margin deposit is like a cash performance bond. It helps assure the futures trader's performance of the futures contracts he purchases or sells.

The minimum amount of margin required in connection with a particular futures contract is set by the exchange on which such contract is traded and is subject to change at any time during the term of the contract. Futures contracts are customarily bought and sold on margins that represent a percentage of the aggregate purchase or sales price of the contract.

Brokerage firms may require higher amounts of margin than exchange minimums. These requirements may change without warning.

Margin requirements are computed each day or intraday by a commodity broker and the relevant exchange. At the close of each trading day or intraday, each open futures contract is marked to market, that is, the gain or loss on the position is calculated from the prior day's close. When the market value of a particular open futures contract position changes to a point where the margin on deposit does not satisfy maintenance margin requirements, a margin call is made by the commodity broker. If the margin call is not met within a reasonable time, the broker may close out the customer's position.

Creation and Redemption of Shares

Each Fund creates and redeems Shares from time to time, but only in one or more Creation Units. A Creation Unit is a block of at least 10,000 Shares. Except when aggregated in Creation Units, the Shares are not redeemable securities.

The manner by which Creation Units are purchased and redeemed is governed by the terms of the Authorized Participant Agreement and Authorized Participant Procedures Handbook, and all such procedures are at the discretion of the Sponsor. By placing a purchase order, an Authorized Participant agrees to deposit cash or Financial Instruments with the Custodian of a Fund (unless as provided otherwise by this Prospectus). Purchases and redemptions made by Authorized Participants primarily in cash rather than through in-kind delivery of Financial Instruments, if not offset by a transaction fee (as described below), may cause a Fund to incur certain costs, including brokerage costs or taxable capital gains or losses, that may decrease the Fund's net asset value.

If permitted by the Sponsor in its sole discretion with respect to a Fund, an Authorized Participant may also agree to enter into or arrange for an exchange of a futures contract for related position ("EFCRP") or block trade with the Fund whereby the Authorized Participant would also transfer to the Fund a number and type of exchange-traded futures contracts at or near the closing settlement price for such contracts on the purchase order date. Similarly, the Sponsor in its sole discretion may agree with an Authorized Participant to use an EFCRP to effect an order to redeem Creation Units.

An EFCRP is a technique permitted by the rules of certain futures exchanges that, as utilized by a Fund in the Sponsor's discretion, would allow the Fund to take a position in a futures contract from an Authorized Participant, or give futures contracts to an Authorized Participant, in the case of a redemption, rather than to enter the futures exchange markets to obtain such a position. An EFCRP by itself will not change either party's net risk position materially. Because the futures position that a Fund would otherwise need to take in order to meet its investment objective can be obtained without unnecessarily impacting the financial or futures markets or their pricing, EFCRPs can generally be viewed as transactions beneficial to the Fund. A block trade is a technique that permits a Fund to obtain a futures position without going through the market auction system and can generally be viewed as a transaction beneficial to the Fund.

Authorized Participants pay a fixed transaction fee of up to $500 in connection with each order to create or redeem a Creation Unit in order to compensate the Administrator, Sub-Administrator, the Custodian and the Transfer Agent of a Fund and its Shares, for services in processing the creation and redemption of Creation Units and to offset the costs of increasing or decreasing derivative positions. Authorized Participants also may pay a variable transaction fee to the Fund of up to 0.20% of the value of the Creation Unit that is purchased or redeemed unless the transaction fee is waived or otherwise adjusted by the Sponsor. The Sponsor provides such Authorized Participant with prompt notice in advance of any such waiver or adjustment of the transaction fee. The Sponsor may waive a fixed or variable transaction fee for any number of reasons, including to maintain similar costs structures as competitive investment vehicles. Authorized Participants may sell the Shares included in the Creation Units they purchase from a Fund to other investors.

The form of Authorized Participant Agreement and the related Authorized Participant Procedures Handbook set forth the procedures for the creation and redemption of Creation Units and for the payment of cash or Financial Instruments required for such creations and redemptions. The Sponsor may delegate its duties and obligations under the form of Authorized Participant Agreement to the Administrator, Sub-Administrator, the Custodian and the Transfer Agent without consent from any shareholder or Authorized Participant. The form of Authorized Participant Agreement, the related procedures attached thereto and the Authorized Participant Procedures Handbook may be amended by the Sponsor without the consent of any shareholder or Authorized Participant. Authorized Participants who purchase Creation Units from a Fund receive no fees, commissions or other form of compensation or inducement of any kind from either the Sponsor or the Fund, and no such person has any obligation or responsibility to the Sponsor or the Fund to effect any sale or resale of Shares.

Each Authorized Participant must be registered as a broker-dealer under the 1934 Act and regulated by the Financial Industry Regulatory Authority, Inc. ("FINRA"), or exempt from being, or otherwise not required to be, so regulated or registered, and must be qualified to act as a broker or dealer in the states or other jurisdictions where the nature of its business so requires. Certain Authorized Participants may be regulated under federal and state banking laws and regulations. Each Authorized Participant must have its own set of rules and procedures, internal controls and information barriers as it determines is appropriate in light of its own regulatory regime.

Authorized Participants may act for their own accounts or as agents for broker-dealers, custodians and other securities market participants that wish to create or redeem Creation Units.

Persons interested in purchasing Creation Units should contact the Sponsor or the Administrator to obtain the contact information for the Authorized Participants. Shareholders who are not Authorized Participants are only able to redeem their Shares through an Authorized Participant.

Pursuant to the Authorized Participant Agreement, the Sponsor agreed to indemnify the Authorized Participants against certain liabilities, including liabilities under the 1933 Act, and to contribute to the payments the Authorized Participants may be required to make in respect of those liabilities.

The following description of the procedures for the creation and redemption of Creation Units is only a summary and an investor should refer to the relevant provisions of the Trust Agreement and the form of Authorized Participant Agreement for more detail. The Trust Agreement and the form of Authorized Participant Agreement are filed as exhibits to the Registration Statement of which this Prospectus is a part.

Creation Procedures

On any Business Day, an Authorized Participant may place an order with the Marketing Agent to create one or more Creation Units.

Purchase orders must be placed by 2:00 p.m. (Eastern time). The cut-off time may be earlier if, for example, the Exchange or other exchange material to the valuation or operation of the Fund closes before the cut-off time. If a purchase order is received prior to the applicable cut-off time, the day on which the Marketing Agent receives a valid purchase order is the purchase order date. If the purchase order is received after the applicable cut-off time, the purchase order date will be the next Business Day. Purchase orders are irrevocable. By placing a purchase order, and prior to delivery of such Creation Units, an Authorized Participant's DTC account will be charged the non-refundable transaction fee due for the purchase order.

Determination of Required Payment

The total payment required to create each Creation Unit is the value of the Creation Unit on the purchase order date plus the applicable transaction fees.

Delivery of Cash

Cash required for settlement will typically be transferred to the Custodian through: (1) the Continuous Net Settlement (the "CNS") clearing process of NSCC, as such processes have been enhanced to effect creations and redemptions of Creation Units; or (2) the facilities of DTC on a Delivery Versus Payment ("DVP") basis, which is the procedure in which the buyer's payment for securities is due at the time of delivery. Security delivery and payment are simultaneous. If the Custodian does not receive the cash by the market close on the first Business Day following the purchase order date ("T+1"), such order may be charged interest for delayed settlement or cancelled. The Sponsor reserves the right to extend the deadline for the Custodian to receive the cash required for settlement up to the second Business Day following the purchase order date ("T+2"). In the event a purchase order is cancelled, the Authorized Participant will be responsible for reimbursing a Fund for all costs associated with cancelling the order including costs for repositioning the portfolio. At its sole discretion, the Sponsor may agree to a delivery date other than T+2. Additional fees may apply for special settlement. The Creation Unit will be delivered to the Authorized Participant upon the Custodian's receipt of the purchase amount.

Delivery of Exchange of Futures Contract for Related Position (“EFCRP”) Futures Contracts or Block Trades

In the event that the Sponsor shall have determined to permit the Authorized Participant to transfer futures contracts pursuant to an EFCRP or to engage in a block trade purchase of futures contracts from the Authorized Participant with respect to a Fund, as well as to deliver cash, in the creation process, futures contracts required for settlement must be transferred directly to the Fund’s account at its FCM. If the cash is not received by the market close on the second Business Day following the purchase order date (T+2); such order may be charged interest for delayed settlements or cancelled. In the event a purchase order is cancelled, the Authorized Participant will be responsible for reimbursing a Fund for all costs associated with cancelling the order including costs for repositioning the portfolio. At its sole discretion, the Sponsor may agree to a delivery date other than T+2. The Creation Unit will be delivered to the Authorized Participant upon the Custodian’s receipt of the cash purchase amount and the futures contracts.

Suspension or Rejection of Purchase Orders

The Sponsor may, in its discretion, suspend the right to purchase, or postpone the purchase settlement date: (1) for any period during which any of the Exchange, CBOE, CFE, CME (including CBOT and NYMEX) or ICE or other exchange material to the valuation or operation of a Fund is closed or when trading is suspended or restricted on such exchanges in any of the underlying VIX futures contracts; (2) for any period during which an emergency exists as a result of which the fulfilment of a purchase order is not reasonably practicable; or (3) for such other period as the Sponsor determines to be necessary for the protection of the shareholders. The Sponsor will not be liable to any person or in any way for any loss or damages that may result from any such suspension or postponement.

The Sponsor also may reject a purchase order if:

- It determines that the purchase order is not in proper form;
- The Sponsor believes that the purchase order would have adverse tax consequences to the Fund or its shareholders;
- The order would be illegal; or
- Circumstances outside the control of the Sponsor make it, for all practical purposes, not feasible to process creations of Creation Units.

None of the Sponsor, the Administrator, Sub-Administrator or the Custodian will be liable for the suspension or rejection of any purchase order.

Redemption Procedures

The procedures by which an Authorized Participant can redeem one or more Creation Units mirror the procedures for the creation of Creation Units. On any Business Day, an Authorized Participant may place an order with the Marketing Agent to redeem one or more Creation Units. Redemption orders must be received prior to 2:00 p.m. (Eastern time), or earlier if, for example, the Exchange or other exchange material to the valuation or operation of a Fund closes before the cut-off time. If a redemption order is received prior to the applicable cut-off time, the day on which the Marketing Agent receives a valid redemption order is the redemption order date. If the redemption order is received after the applicable cut-off time, the redemption order date will be the next day. Redemption orders are irrevocable. Individual shareholders may not redeem directly from the Fund.

By placing a redemption order, an Authorized Participant agrees to deliver the Creation Units to be redeemed through DTC’s book-entry system to the applicable Fund not later than noon (Eastern Time), on the first Business Day immediately following the redemption order date (T+1). The Sponsor reserves the right to extend the deadline for a Fund to receive the Creation Units required for settlement up to the second Business Day following the redemption order date (T+2). By placing a redemption order, and prior to receipt of the redemption proceeds, an Authorized Participant must wire to the Custodian the non-refundable transaction fee due for the redemption order or any proceeds due will be reduced by the amount of the fee payable. At its sole discretion, the Sponsor may agree to a delivery date other than T+2. Additional fees may apply for special settlement.

Upon request of an Authorized Participant made at the time of a redemption order, the Sponsor at its sole discretion may determine, in addition to delivering redemption proceeds, to transfer futures contracts to the Authorized Participant pursuant to an EFCRP or to a block trade sale of futures contracts to the Authorized Participant.

Determination of Redemption Proceeds

The redemption proceeds from a Fund consist of the cash redemption amount and, if permitted by the Sponsor in its sole discretion with respect to the Fund, an EFCRP or block trade with the Fund as described in *"— Creation and Redemption of Shares"* above. The cash redemption amount is equal to the NAV of the number of Creation Unit(s) of a Fund requested in the Authorized Participant's redemption order as of the time of the calculation of the Fund's NAV on the redemption order date, less transaction fees and any amounts attributable to any applicable EFCRP or block trade.

Delivery of Redemption Proceeds

The redemption proceeds due from a Fund are delivered to the Authorized Participant at noon (Eastern Time), on the second Business Day immediately following the redemption order date if, by such time on such Business Day immediately following the redemption order date, the Fund's DTC account has been credited with the Creation Units to be redeemed. A Fund should be credited through: (1) the CNS clearing process of NSCC, as such processes have been enhanced to effect creations and redemptions of Creation Units; or (2) the facilities of DTC on a DVP basis. If a Fund's DTC account has not been credited with all of the Creation Units to be redeemed by such time, the redemption distribution is delivered to the extent whole Creation Units are received. Any remainder of the redemption distribution is delivered on the next Business Day to the extent any remaining whole Creation Units are received if:

(1) the Sponsor receives the fee applicable to the extension of the redemption distribution date which the Sponsor may, from time to time, determine, and

(2) the remaining Creation Units to be redeemed are credited to a Fund's DTC account by noon (Eastern Time), on such next Business Day. Any further outstanding amount of the redemption order may be cancelled. The Authorized Participant will be responsible for reimbursing a Fund for all costs associated with cancelling the order including costs for repositioning the portfolio.

The Sponsor is also authorized to deliver the redemption distribution notwithstanding that the Creation Units to be redeemed are not credited to a Fund's DTC account by noon (Eastern Time), on the second Business Day immediately following the redemption order date if the Authorized Participant has collateralized its obligation to deliver the Creation Units through DTC's book-entry system on such terms as the Sponsor may determine from time to time.

In the event that the Authorized Participant shall have requested, and the Sponsor shall have determined to permit the Authorized Participant to receive futures contracts pursuant to an EFCRP, as well as the cash redemption proceeds, in the redemption process, futures contracts required for settlement shall be transferred directly from a Fund's account at its FCM to the account of the Authorized Participant at its FCM.

Suspension or Rejection of Redemption Orders

The Sponsor may, in its discretion, suspend the right of redemption, or postpone the redemption settlement date, (1) for any period during which any of the Exchange, CBOE, CFE, CME (including CBOT and NYMEX) or ICE or other exchange material to the valuation or operation of a Fund is closed or when trading is suspended or restricted on such exchanges in any of the underlying VIX futures contracts; (2) for any period during which an emergency exists as a result of which the redemption distribution is not reasonably practicable; or (3) for such other period as the Sponsor determines to be necessary for the protection of the shareholders. The Sponsor will not be liable to any person or in any way for any loss or damages that may result from any such suspension or postponement.

The Sponsor will reject a redemption order if the order is not in proper form as described in the form of Authorized Participant Agreement or if the fulfilment of the order might be unlawful.

Creation and Redemption Transaction Fee

To compensate Foreside Fund Services, LLC for services in processing the creation and redemption of Creation Units and to offset some or all of the transaction costs, an Authorized Participant may be required to pay a fixed transaction fee to Foreside Fund Services, LLC of up to $500 per order to create or redeem Creation Units and may pay a variable transaction fee to a Fund of up to 0.20% of the value of a Creation Unit. An order may include multiple Creation Units. The transaction fee(s) may be reduced, increased or otherwise changed by the Sponsor at its sole discretion.

Special Settlement

The Sponsor may allow for early settlement of purchase or redemption orders. Such arrangements may result in additional charges to the Authorized Participant.

Net Asset Value

The net asset value ("NAV") in respect of a Fund means the total assets of the Fund including, but not limited to, all cash and cash equivalents or other debt securities less total liabilities of the Fund, consistently applied under the accrual method of accounting. In particular, the NAV includes any unrealized profit or loss on open futures contracts (and Financial Instruments, if any), and any other credit or debit accruing to the Fund but unpaid or not received by the Fund. The NAV per Share of a Fund is computed by dividing the value of the net assets of the Fund (*i.e.*, the value of its total assets less total liabilities) by its total number of Shares outstanding. Expenses and fees are accrued daily and taken into account for purposes of determining the NAV. Each Fund's NAV is calculated on each day other than a day when the Exchange is closed for regular trading. **Each Fund computes its NAV only once each Business Day as of 4:00 p.m. (Eastern Time) (the "NAV Calculation Time")**, or an earlier time as set forth on *www.volatilityshares.com.* For example, a Fund may calculate its NAV as of an earlier time if the Exchange or other exchange material to the valuation or operation of the Fund closes early. The Funds' website at *www.volatilityshares.com* will display the end of day closing Index level, and NAV per Share for the Fund. The Fund will provide daily website disclosure, prior to market opening, of the Funds' portfolio holdings. This website disclosure of the portfolio composition of the Fund will occur at the same time as the disclosure by the Fund of the portfolio composition to Authorized Participants so that all market participants are provided portfolio composition information at the same time.

In calculating the NAV of a Fund, the VIX futures contracts are valued using the Time Weighted Average Price (TWAP) of the futures during the last 15 minutes of NYSE's regular trading session, rather than solely from the VIX futures' settlement price. The value of a Fund's non-exchange-traded Financial Instruments typically is determined by applying the then-current disseminated levels for the Index to the terms of the Fund's non-exchange-traded Financial Instruments.

In certain circumstances (*e.g.*, if the Sponsor believes market quotations do not accurately reflect the fair value of a Fund's investment, or a trading halt closes an exchange or market early), the Sponsor may, in its sole discretion, choose to determine a fair value price as the basis for determining the market value of such investment for such day. Such fair value prices would generally be determined based on available inputs about the current value of the underlying VIX futures contract and would be based on principles that the Sponsor deems fair and equitable.

The Funds may use a variety of money market instruments. Money market instruments generally will be valued using market prices or at amortized cost.

Indicative Optimized Portfolio Value ("IOPV")

The IOPV, which is also known as the intraday indicative value or IIV, is an indicator of the value of a Fund's net assets at the time the IOPV is disseminated. The IOPV is calculated and disseminated every 15 seconds during a normal Business Day. A Business Day is defined as a day the United States equity markets are open for trading on the NYSE. The IOPV may cease calculating at an earlier time if the Exchange or other information material to the valuation or operation of a Fund closes early. The IOPV is generally calculated using the prior day's closing net assets of a Fund as a base and updating throughout the Business Day changes in the value of the Financial Instruments held by the Fund. The IOPV should not be viewed as an actual real time update of the NAV because NAV is calculated only once at the end of each Business Day. The IOPV also should not be viewed as a precise value of the Shares. Because the market price per Share may differ from the IOPV, the price at which an investor may be able to sell Shares at any time, and especially in times of market volatility, may be significantly less than the IOPV at the time of sale. Neither a Fund nor the Sponsor is liable for any errors in the calculation of the IOPV or any failure to disseminate IOPV.

The Exchange disseminates the IOPV. In addition, the IOPV is published on the Exchange's website and is available through on-line information services such as Bloomberg Finance L.P. and/or Reuters.

Fees and Expenses

Management Fee

SVIX pays the Sponsor a management fee (the "Management Fee"), monthly in arrears, in an amount equal to **1.35%** per annum of its average daily net assets. UVIX pays the Sponsor a Management Fee, monthly in arrears, in an amount equal to **1.65**% per annum of its average daily net assets. "Average daily net assets" is calculated by dividing the month-end net assets of each Fund by the number of calendar days in such month.

No other Management Fee is paid by the Funds. The Management Fee is paid in consideration of the Sponsor's trading advisory services and the other services provided to the Fund that the Sponsor pays directly.

Licensing and Index Calculation Fee

Each Fund pays CBOE a fee to calculate and maintain the Index. Each Fund pays S&P a fee for the futures data that is based on the VIX and the use of third-party licensor trademarks.

Recurring and Non-Recurring Fees and Expenses

Each Fund pays all of its fees and expenses, including recurring, non-recurring, routine and unusual fees and expenses.

Selling Commission

Retail investors may purchase and sell Shares through traditional brokerage accounts. Investors are expected to be charged a customary commission by their brokers in connection with purchases of Shares that will vary from investor to investor. Investors are encouraged to review the terms of their brokerage accounts for applicable charges. The price at which an Authorized Participant sells a Share may be higher or lower than the price paid by such Authorized Participant in connection with the creation of such Share in a Creation Unit.

Brokerage Commissions and Fees

Each Fund pays all of its respective brokerage commissions, including applicable exchange fees, NFA fees and give-up fees, pit brokerage fees and other transaction related fees and expenses charged in connection with trading activities for the Fund's investments in CFTC regulated investments. On average, total charges paid to FCMs are expected to be less than $7.00 per round-turn trade, although brokerage commissions and trading fees are determined on a contract-by-contract basis. Each Fund bears other transaction costs including the effects of trading spreads and financing costs/fees, if any, associated with the use of Financial Instruments, and costs relating to the purchase of U.S. Treasury securities or similar high credit quality short-term fixed-income or similar securities (such as shares of money market funds).

Employees

The Trust has no employees.

Item 1A. Risk Factors.

As a smaller reporting company, the Trust is not required to provide the information required by this item.

Item 1B. Unresolved Staff Comments.

None.

Item 1C. Cybersecurity

The Sponsor recognizes the importance of managing cybersecurity risks to protect its business operations, clients, and stakeholders. The Sponsor has implemented a comprehensive Cybersecurity Policies and Procedures Plan for the Funds, which outlines our approach to identifying, assessing, and mitigating cybersecurity threats and vulnerabilities in alignment with industry standards and best practices.

Risk Management and Strategy

Cybersecurity Risk Assessment and Management: The Funds have established a risk-based cybersecurity framework to manage cybersecurity risks effectively. This framework includes regular assessments of its information systems, physical and virtual infrastructure, and the data therein, to identify potential cybersecurity threats and vulnerabilities. Our cybersecurity strategy is integrated into the Funds' overall risk management processes, with specific consideration given to the confidentiality, integrity, and availability of our information systems.

Third-Party Service Providers: The Funds engage with various third-party service providers for critical operations and services. The Sponsor conducts rigorous cybersecurity risk assessments of all vendors and business partners with access to our networks or sensitive information. These assessments ensure that third-party cybersecurity policies are robust and align with our cybersecurity standards.

Material Impact of Cybersecurity Threats: To date, there have been no material cybersecurity incidents that have significantly impacted the Funds' business strategies, results of operations, or financial condition. The Sponsor continues to monitor our systems and processes to mitigate potential cybersecurity risks actively.

Governance

Sponsor Oversight: The Sponsor of the Fund has a fundamental role in overseeing the Funds' cybersecurity risk management. The Sponsor receives regular updates on cybersecurity matters from management and third-party service providers, ensuring that cybersecurity risks are managed proactively at the highest level of the organization.

Management's Role: Our Chief Compliance Officer, Chang Kim, is responsible for overseeing the development, implementation, and ongoing management of the Fund's Cybersecurity Policies and Procedures including the monitoring of our systems for potential cybersecurity events and the implementation of preventive and mitigative measures.

Item 2. Properties.

Not applicable.

Item 3. Legal Proceedings.

None

Item 4. Mine Safety Disclosures.

Not applicable.

Part II.

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

a) The Shares of each Fund that has commenced investment operations are listed in the accompanying table. The dates the Shares of each Fund began trading, their symbols and their primary listing exchange are indicated below:

Fund	Commencement of Operations	Ticker Symbol	Name of each exchange on which registered
-1x Short VIX Futures ETF	28-Mar-22	SVIX	Cboe BZX Exchange
2x Long VIX Futures ETF	28-Mar-22	UVIX	Cboe BZX Exchange

The approximate number of holders of the Shares of each Fund as of December 31, 2024 was as follows:

Fund	Number of Units
-1x Short VIX Futures ETF	11,820,000
2x Long VIX Futures ETF(1)	5,531,498
Combined Trust:	17,351,498

(1) Approximate shareholders have been adjusted to reflect a 1:10 reverse stock split on January 15, 2025, as if it occurred at the commencement of operations.

The Funds made no distributions to Shareholders during the fiscal year ended December 31, 2024. The Funds have no obligation to make periodic distributions to Shareholders.

The approximate number of holders of the Shares of each Fund as of December 31, 2023 was as follows:

Fund	Number of Units
-1x Short VIX Futures ETF	3,310,000
2x Long VIX Futures ETF[(1)]	507,498
Combined Trust:	3,817,498

(1) Approximate shareholders have been adjusted to reflect a 1:5 reverse stock split on January 25, 2023, a 1:10 reverse stock split on October 11, 2023, and a 1:10 reverse stock split on January 15, 2025, as if they occurred at the commencement of operations.

The Funds made no distributions to Shareholders during the fiscal year ended December 31, 2023. The Funds have no obligation to make periodic distributions to Shareholders.

b) The following tables reflect the shares sold and the sale price of the shares sold for three months and for the year ended December 31, 2024 and December 31, 2023.

Title of Securities Registered	Amount Registered as of December 31, 2024	Shares Sold For the Three Months Ended December 31, 2024[(1)]	Sale Price of Shares Sold For the Three Months Ended December 31, 2024	Shares Sold For the Year Ended December 31, 2024[(1)]	Sale Price of Shares Sold For the Year Ended December 31, 2024
-1x Short VIX Futures ETF					
Common Units of Beneficial Interest	An indeterminant amount of securities	3,410,000	$ 88,657,561	29,460,000	$ 828,649,566
2x Long VIX Futures ETF					
Common Units of Beneficial Interest	An indeterminant amount of securities	9,561,000	349,935,390	15,789,000	742,224,982

(1) For 2x Long VIX Futures ETF, financial highlights have been adjusted to reflect a 1:10 reverse stock split on January 15, 2025, as if it occurred at the commencement of operations.

Title of Securities Registered	Amount Registered as of December 31, 2023	Shares Sold For the Three Months Ended December 31, 2023[(1)]	Sale Price of Shares Sold For the Three Months Ended December 31, 2023	Shares Sold For the Year Ended December 31, 2023[(1)]	Sale Price of Shares Sold For the Year Ended December 31, 2023
-1x Short VIX Futures ETF					
Common Units of Beneficial Interest	An indeterminant amount of securities	3,480,000	$ 95,149,781	13,120,000	$ 282,198,849
2x Long VIX Futures ETF					
Common Units of Beneficial Interest	An indeterminant amount of securities	454,000	100,236,544	947,000	469,583,438

(1) For 2x Long VIX Futures ETF, financial highlights have been adjusted to reflect a 1:5 reverse stock split occurring on January 25, 2023, a 1:10

reverse stock split occurring on October 11, 2023, and a 1:10 reverse stock split occurring on January 15, 2025, as if they occurred at the commencement of operations.

c) From October 1, 2024 through December 31, 2024, the number of Shares redeemed and average price per Share for each Fund were as follows:

Fund	**Total Number of Shares Redeemed(1)**	**Average Price Per Share**
-1x Short VIX Futures ETF		
10/01/2024 to 10/31/2024	(430,000)	$ 25.25
11/01/2024 to 11/30/2024	(110,000)	28.82
12/01/2024 to 12/31/2024	(2,790,000)	28.29
2x Long VIX Futures ETF		
10/01/2024 to 10/31/2024	(1,275,000)	5.51
11/01/2024 to 11/30/2024	(1,555,000)	3.84
12/01/2024 to 12/31/2024	(4,728,000)	4.01

(1) For 2x Long VIX Futures ETF, financial highlights have been adjusted to reflect a 1:10 reverse stock split occurring on January 15, 2025, as if it occurred at the commencement of operations.

From October 1, 2023 through December 31, 2023, the number of Shares redeemed and average price per Share for each Fund were as follows:

Fund	**Total Number of Shares Redeemed(1)**	**Average Price Per Share**
-1x Short VIX Futures ETF		
10/01/2023 to 10/31/2023	(180,000)	25.82
11/01/2023 to 11/30/2023	(3,060,000)	31.79
12/01/2023 to 12/31/2023	(870,000)	36.82
2x Long VIX Futures ETF		
10/01/2023 to 10/31/2023	(66,703)	38.26
11/01/2023 to 11/30/2023	(31,000)	21.02
12/01/2023 to 12/31/2023	(103,000)	15.91

(1) For 2x Long VIX Futures ETF, financial highlights have been adjusted to reflect a 1:5 reverse stock split occurring on January 25, 2023, a 1:10 reverse stock split occurring on October 11, 2023, and a 1:10 reverse stock split occurring on January 15, 2025, as if they occurred at the commencement of operations.

Item 6. [Reserved].

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

This information should be read in conjunction with the financial statements and notes to the financial statements included with this Annual Report on Form 10-K. The discussion and analysis that follows may contain statements that relate to future events or future performance. In some cases, such forward- looking statements can be identified by terminology such as "will," "may," "should," "expect," "plan," "anticipate," "believe," "estimate," "predict," "potential," "intend," "project," "seek" or the negative of these terms or other comparable terminology. None of the Trust, the Sponsor, the Commodity Sub- Adviser, the Trustee, or the Administrator assumes responsibility for the accuracy or completeness of any forward-looking statements. Except as expressly required by federal securities laws, none of the Trust, the Sponsor, the Commodity Sub-Adviser, the Trustee, or the Administrator is under a duty to update any of the forward-looking statements to conform such statements to actual results or to a change in expectations or predictions.

Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risk and changes in circumstances that are difficult to predict and many of which are outside of the Funds' control. The Funds' forward-looking statements are not guarantees of future results and conditions and important factors, risks and uncertainties in the markets for financial instruments that the Funds trade, in the markets for related physical commodities, in the legal and regulatory regimes applicable to the Sponsor, the Funds, and the Funds' service providers, and in the broader economy may cause the Funds' actual results to differ materially from those expressed in forward-looking statements.

Liquidity and Capital Resources

In order to collateralize derivatives positions, a portion of the NAV of each Fund is held in cash and/or U.S. Treasury securities, agency securities, or other high credit quality short term fixed-income or similar securities (such as shares of money market funds, bank deposits, bank money market accounts, certain variable rate-demand notes and repurchase agreements collateralized by government securities). A portion of these investments may be posted as collateral in connection with swap agreements, futures, and/or forward contracts. The percentage that U.S. Treasury bills and other short-term fixed-income securities bear to the shareholders' equity of each Fund varies from period to period as the market values of the underlying swaps, futures contracts and forward contracts change. During the year ended December 31, 2024 and December 31, 2023, each of the Funds earned total income as follows:

Fund	Total Income Year Ended December 31, 2024	Total Income Year Ended December 31, 2023
-1x Short VIX Futures ETF	$ 4,873,066	$ 521,465
2x Long VIX Futures ETF	2,046,348	967,916

Each Fund's underlying swaps, futures, options, forward contracts and foreign currency forward contracts, as applicable, may be subject to periods of illiquidity because of market conditions, regulatory considerations and other reasons. For example, swaps and forward contracts are not traded on an exchange, do not have uniform terms and conditions, and in general are not transferable without the consent of the counterparty. In the case of futures contracts, commodity exchanges may limit fluctuations in certain futures contract prices during a single day by regulations referred to as "daily limits." During a single day, no futures trades may be executed at prices beyond the daily limit. Once the price of a futures contract has increased or decreased by an amount equal to the daily limit, positions in such futures contracts can neither be taken nor liquidated unless the traders are willing to effect trades at or within the limit. Futures contract prices have occasionally moved to the daily limit for several consecutive days with little or no trading. Such market conditions could prevent a Fund from promptly liquidating its futures positions.

In addition, the Sponsor will seek to minimize the market impact of rebalances across all exchange traded products based on VIX futures contracts ("VIX ETPs") that it sponsors on the price of VIX futures contracts by limiting the Funds' participation, on any given day, in VIX futures contracts to no more than 10% of the VIX futures contracts traded on Cboe Futures Exchange, Inc. ("CFE") during any "Rebalance Period," defined as any fifteen minute period of continuous market trading. To limit participation during periods of market illiquidity, the Sponsor, on any given day, may vary the manner and period over which all VIX ETPs it sponsors are rebalanced, and as such, the manner and period over which the Funds are rebalanced. The Sponsor believes that a Fund will enter an extended rebalance period most often during periods of extraordinary market conditions or illiquidity in VIX futures contracts. In the event that the Fund participates in an extended rebalance period, the Fund represents that it will notify the Exchange and the SEC of such participation as soon as practicable, but no later than 9:00 a.m. ET on the trading day following the event.

Entry into swap agreements or forward contracts may further impact liquidity because these contractual agreements are executed "off-exchange" between private parties and, therefore, the time required to offset or "unwind" these positions may be greater than that for exchange-traded instruments. This potential delay could be exacerbated to the extent a counterparty is not a United States person.

The large size of the positions in which a Fund may acquire increases the risk of illiquidity by both making their positions more difficult to liquidate and increasing the losses incurred while trying to do so. Any type of disruption or illiquidity will potentially be exacerbated due to the fact that the Funds will typically invest in Financial Investments related to one benchmark, which in many cases is highly concentrated.

Because each Fund may enter into swaps and may trade futures and forward contracts, its capital is at risk due to changes in the value of these contracts (market risk) or the inability of counterparties to perform under the terms of the contracts (credit risk).

Market Risk

Trading in derivatives contracts involves each Fund entering into contractual commitments to purchase or sell a commodity, currency or spot volatility product underlying such Fund's benchmark at a specified date and price, should it hold such derivative contract into the deliverable period. Should a Fund enter into a contractual commitment to sell a physical commodity, currency or spot volatility product, it would be required to make delivery of that commodity, currency or spot volatility product at the contract price and then repurchase the contract at prevailing market prices or settle in cash. Since the repurchase price to which the value of a commodity, currency or spot volatility product can rise is unlimited, entering into commitments to sell commodities, currencies or spot volatility products would expose a Fund to theoretically unlimited risk.

For more information, see "Item 7A. Quantitative and Qualitative Disclosures About Market Risk" in this Annual Report on Form 10-K.

Credit Risk

When a Fund enters into swap agreements, futures contracts or forward contracts, the Fund is exposed to credit risk that the counterparty to the contract will not meet its obligations.

The counterparty for futures contracts traded on United States and most foreign futures exchanges as well as certain swaps is the clearing house associated with the particular exchange. In general, clearing houses are backed by their corporate members who may be required to share in the financial burden resulting from the nonperformance by one of their members and, as such, should significantly reduce this credit risk. In cases where the clearing house is not backed by the clearing members (i.e., some foreign exchanges, which may become applicable in the future), it may be backed by a consortium of banks or other financial institutions.

Certain swap and forward agreements are contracted for directly with counterparties. There can be no assurance that any counterparty, clearing member or clearing house will meet its obligations to a Fund.

Swap agreements do not generally involve the delivery of underlying assets either at the outset of a transaction or upon settlement. Accordingly, if the counterparty to an OTC swap agreement defaults, the Fund's risk of loss typically consists of the net amount of payments that the Fund is contractually entitled to receive, if any. Swap counterparty risk is generally limited to the amount of any unrealized gains, although in the event of a counterparty bankruptcy, there could be delays and costs associated with the recovery of collateral posted in segregated tri-party accounts at the Fund's custodian bank.

Forward agreements do not involve the delivery of assets at the onset of a transaction, but may be settled physically in the underlying asset if such contracts are held to expiration, particularly in the case of currency forwards. Thus, prior to settlement, if the counterparty to a forward contract defaults, a Fund's risk of loss will generally consist of the net amount of payments that the Fund is contractually entitled to receive, if any. However, if physically settled forwards are held until expiration (presently, there is no plan to do this), at the time of settlement, a Fund may be at risk for the full notional value of the forward contracts depending on the type of settlement procedures used.

The Sponsor attempts to minimize certain of these market and credit risks by normally:

- executing and clearing trades with creditworthy counterparties, as determined by the Sponsor;
- limiting the outstanding amounts due from counterparties to the Funds;
- requiring that the counterparty posts collateral in amounts approximately equal to that owed to the Funds, as marked to
- market daily, subject to certain minimum thresholds;
- limiting the amount of margin or premium posted at a FCM; and
- ensuring that deliverable contracts are not held to such a date when delivery of the underlying asset could be called for.

Off-Balance Sheet Arrangements and Contractual Obligations

As of December 31, 2024, the Funds have not used, nor do they expect to use in the future, special purpose entities to facilitate off-balance sheet financing arrangements and have no loan guarantee arrangements or off-balance sheet arrangements of any kind other than agreements entered into in the normal course of business, which may include indemnification provisions related to certain risks service providers undertake in performing services which are in the best interests of the Funds. While each Fund's exposure under such indemnification provisions cannot be estimated, these general business indemnifications are not expected to have a material impact on a Fund's financial position.

Management fee payments made to the Sponsor are calculated as a fixed percentage of each Fund's NAV. As such, the Sponsor cannot anticipate the payment amounts that will be required under these arrangements for future periods as NAVs are not known until a future date. The agreement with the Sponsor may be terminated by either party upon 30 days written notice to the other party.

Critical Accounting Policies

Preparation of the financial statements and related disclosures in compliance with accounting principles generally accepted in the United States of America requires the application of appropriate accounting rules and guidance, as well as the use of estimates. The Trust's and the Funds' application of these policies involves judgments and actual results may differ from the estimates used.

Each Fund has significant exposure to Financial Instruments. The Funds hold a significant portion of their assets in swaps, futures, forward contracts or foreign currency forward contracts, all of which are recorded on a trade date basis and at fair value in the financial statements, with changes in fair value reported in the Statements of Operations.

The use of fair value to measure Financial Instruments, with related unrealized gains or losses recognized in earnings in each period, is fundamental to the Trust's and the Funds' financial statements. The fair value of a Financial Instrument is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (the exit price).

For financial reporting purposes, the Funds value investments based upon the closing price in their primary markets. Accordingly, the investment valuations in these financial statements may differ from those used in the calculation of certain Funds' final creation/redemption NAV for the year ended December 31, 2024.

Short-term investments are valued at amortized cost which approximates fair value for daily NAV purposes. For financial reporting purposes, short- term investments are valued at their market price using information provided by a third-party pricing service or market quotations.

Derivatives (e.g., futures contracts, options, swap agreements, forward agreements and foreign currency forward contracts) are generally valued using independent sources and/or agreements with counterparties or other procedures as determined by the Sponsor. Futures contracts, except for those entered into by the Gold, Silver, Australian Dollar and Short Euro Funds, are generally valued at the last settled price on the applicable exchange on which that future trades. Futures contracts entered into by the Gold, Silver,

Fair value pricing may require subjective determinations about the value of an investment. While each Fund's policy is intended to result in a calculation of the Fund's NAV that fairly reflects investment values as of the time of pricing, the Funds cannot ensure that fair values determined by the Sponsor or persons acting at their direction would accurately reflect the price that the Fund could obtain for an investment if it were to dispose of that investment as of the time of pricing (for instance, in a forced or distressed sale).

The prices used by a Fund may differ from the value that would be realized if the investments were sold and the differences could be material to the financial statements.

The Funds disclose the fair value of their investments in a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value.

Discounts on short-term securities purchased are amortized and reflected as Interest Income in the Statements of Operations.

Realized gains (losses) and changes in unrealized gain (loss) on open investments are determined on a specific identification basis and recognized in the Statements of Operations in the period in which the contract is closed or the changes occur, respectively.

Each Fund pays its respective brokerage commissions, including applicable exchange fees, NFA fees, give up fees, pit futures account fees and other transaction related fees and expenses charged in connection with trading activities for each Fund's investment in U.S. Commodity Futures Trading Commission regulated investments. Brokerage commissions on futures contracts are recognized on a half-turn basis.

Results of Operations for the Years Ended December 31, 2024 and December 31, 2023

-1x Short VIX Futures ETF

Fund Performance

The following table provides summary performance information for the Fund for the year ended December 31, 2024 and December 31, 2023:

	Year Ended December 31, 2024	Year Ended December 31, 2023
Net Assets beginning of period	$ 125,057,419	$ 46,378,603
Net Assets end of period	$ 300,123,823	$ 125,057,419
Percentage change in NAV	140%	170%
Shares outstanding beginning of period	3,310,000	3,170,000
Shares outstanding end of period	11,820,000	3,310,000
Percentage change in shares outstanding	257%	4%
Shares created	29,460,000	13,120,000
Shares redeemed	(20,950,000)	(12,980,000)
Per share NAV beginning of period	$ 37.78	$ 14.63
Per share NAV end of period	$ 25.39	$ 37.78
Percentage change in per share NAV	(32.80)%	158.24%
Percentage change in benchmark	(27.52)%	174.77%
Benchmark annualized volatility	80.52%	56.21%

The Fund's inception of operation was March 28, 2022. Neither the Trust nor the Fund had any operations prior to March 28, 2022, other than matters relating to its organization and the registration of each series under the Securities Act of 1933.

During the year ended December 31, 2024, the decrease in the Fund's per share NAV resulted primarily from the cumulative effect of the Fund seeking daily investment results, before fees and expenses, that correspond to the performance of the Short Index. The decrease in the Fund's per share NAV also resulted in part from an increase from 3,310,000 outstanding Shares at December 31, 2023 to 11,820,000 outstanding Shares at December 31, 2024. By comparison, during the year ended December 31, 2023, the increase in the Fund's per share NAV resulted primarily from the cumulative effect of the Fund seeking daily investment results, before fees and expenses, that correspond to the performance of the Short Index. The increase in the Fund's per share NAV also resulted in part from an increase from 3,170,000 outstanding Shares at December 31, 2022 to 3,310,000 outstanding Shares at December 31, 2023.

Net Income/Loss

The following table provides summary income information for the Fund for the years ended December 31, 2024 and December 31, 2023:

	Year Ended December 31, 2024	Year Ended December 31, 2023
Net investment income (loss)	$ 937,219	$ (1,200,955)
Management fee	3,149,545	1,180,598
Brokerage commissions / Futures account fees	47,307	33,299
Non-recurring fees and expenses	738,995	508,523
Net realized gain (loss)	16,457,605	98,694,527
Change in net unrealized appreciation (depreciation)	(11,051,864)	6,013,245
Net income (loss)	6,342,960	103,506,817

The Fund's net income decreased for the year ended December 31, 2024 as compared to the year ended December 31, 2023, primarily due to a greater decrease in the value of the futures prices during the year ended December 31, 2024.

Futures Positions as of December 31, 2024

Contract	Long or Short	Expiration	Contracts	Valuation Price	Contract Multiplier	Notional Amount at Value
CBOE VIX FUTURE Jan25	Short	Jan-25	(10,051)	17.48	1,000	(175,691,480)
CBOE VIX FUTURE Feb25	Short	Feb-25	(6,959)	17.89	1,000	(124,496,510)

Futures Positions as of December 31, 2023

Contract	Long or Short	Expiration	Contracts	Valuation Price	Contract Multiplier	Notional Amount at Value
CBOE VIX FUTURE Jan24	Short	Jan-24	(5,055)	14.04	1,000	(70,972,200)
CBOE VIX FUTURE Feb24	Short	Feb-24	(3,538)	15.29	1,000	(54,096,020)

The December 31, 2024 and the December 31, 2023 futures notional values are calculated by multiplying the number of contracts held times the valuation price times the contract multiplier. The notional values will increase (decrease) proportionally with increases (decreases) in the price of the futures contract. Additional gains (losses) associated with these contracts will be equal to any such subsequent increases (decreases) in notional values, before accounting for spreads or transaction or financing costs. The Fund will generally attempt to adjust its positions in Financial Instruments *each day* to match the performance of the Short Index. Future period returns, before fees and expenses, cannot be estimated simply by estimating the return of the Short Index.

2x Long VIX Futures ETF

Fund Performance

The following table provides summary performance information for the Fund for the year ended December 31, 2024 and December 31, 2023:

	Year Ended December 31, 2024(1)	Year Ended December 31, 2023(2)
Net assets beginning of period	$ 69,664,996	$ 125,488,766
Net assets end of period	$ 187,711,259	$ 69,664,996
Percentage change in NAV	169%	-44%
Shares outstanding beginning of period	507,498	42,900
Shares outstanding end of period	5,531,498	507,498
Percentage change in shares outstanding	990%	1,083%
Shares created	15,789,000	947,700
Shares redeemed	(10,765,000)	(483,102)
Per share NAV beginning of period	$ 137.27	$ 2,925.15
Per share NAV end of period	$ 33.93	$ 137.27
Percentage change in per share NAV	-75.3%	-95.3%
Percentage change in benchmark	-29.3%	-73.5%
Benchmark annualized volatility	80.52%	56.21%

(1) Shares outstanding have been adjusted to reflect a 1:10 reverse stock split on January 15, 2025, as if it occurred at the commencement of operations.

(2) Shares outstanding have been adjusted to reflect a 1:5 reverse stock split on January 25, 2023, a 1:10 reverse stock split on October 11, 2023, and a 1:10 reverse stock split on January 15, 2025, as if they occurred at the commencement of operations.

The Fund's inception of operation was March 28, 2022. Neither the Trust nor the Fund had any operations prior to March 28, 2022, other than matters relating to its organization and the registration of each series under the Securities Act of 1933.

During the year ended December 31, 2024, the decrease in the Fund's per share NAV resulted primarily from the cumulative effect of the

Fund seeking daily investment results, before fees and expenses, that correspond to the performance of the Long Index. The decrease in the Fund's per share NAV was partially offset by an increase from 507,498 outstanding Shares at December 31, 2023 to 5,531,498 outstanding Shares at December 31, 2024. By comparison, during the year ended December 31, 2023, the decrease in the Fund's per share NAV resulted primarily from the cumulative effect of the Funds seeking daily investment results, before fees and expenses, that correspond to the performance of the Long Index. The decrease in the Fund's per share NAV was partially offset by an increase from 42,900 outstanding Shares at December 31, 2022 to 507,498 outstanding Shares at December 31, 2023.

Net Income/Loss

The following table provides summary income information for the Fund for the years ended December 31, 2024 and December 31, 2023:

	Year Ended December 31, 2024	Year Ended December 31, 2023
Net investment income (loss)	$ (572,956)	$ (1,174,446)
Management fee	1,833,654	1,618,811
Brokerage commissions / Futures account fees	-	3,834
Non-recurring fees and expenses	785,650	519,717
Net realized gain (loss)	(47,624,517)	(276,774,495)
Change in net unrealized appreciation (depreciation)	16,445,324	1,025,904
Net income (loss)	(31,752,149)	(276,923,037)

The Fund's net loss decreased for the year ended December 31, 2024, as compared to the year ended December 31, 2023, primarily due to an increase in the value of futures prices during the year ended December 31, 2024.

Futures Positions as of December 31, 2024

Contract	Long or Short	Expiration	Contracts	Valuation Price	Contract Multiplier	Notional Amount at Value
CBOE VIX FUTURE Jan25	Long	Jan-25	12,575	17.48	1,000	219,811,000
CBOE VIX FUTURE Feb25	Long	Feb-25	8,706	17.89	1,000	155,750,340

Futures Positions as of December 31, 2023

Contract	Long or Short	Expiration	Contracts	Valuation Price	Contract Multiplier	Notional Amount at Value
CBOE VIX FUTURE Jan23	Long	Jan-24	5,633	14.04	1,000	79,087,320
CBOE VIX FUTURE Feb23	Long	Feb-24	3,943	15.29	1,000	60,288,470

The December 31, 2024 and the December 31, 2023 futures notional values are calculated by multiplying the number of contracts held times the valuation price times the contract multiplier. The notional values will increase (decrease) proportionally with increases (decreases) in the price of the futures contract. Additional gains (losses) associated with these contracts will be equal to any such subsequent increases (decreases) in notional values, before accounting for spreads or transaction or financing costs. The Fund will generally attempt to adjust its positions in Financial Instruments *each day* to match the performance of the Long Index. Future period returns, before fees and expenses, cannot be estimated simply by estimating the return of the Long Index.

Qualitative Disclosure

The primary market risks that the Funds are exposed to depend on each Fund's investment objective and corresponding benchmark. For example, the primary market risk that SVIX and UVIX are exposed to are inverse and long exposure, respectively, to the price of certain VIX futures contracts as measured by the return of holding and periodically rolling such futures contracts.

Item 8. Financial Statements and Supplementary Data.

Statement of Operations for the three month periods ended March 31, 2024, March 31, 2023, June 30, 2024, June 30, 2023, September 30, 2024, September 30, 2023, December 31, 2024, December 31, 2023 and the years ended December 31, 2024 and December 31, 2023 for each Fund, as applicable.

-1x Short VIX Futures ETF

	Three Months Ended (Unaudited)				Year Ended
	March 31, 2024	June 30, 2024	September 30, 2024	December 31, 2024	December 31, 2024
Net investment income (loss)	$ (163,131)	47,453	606,641	446,256	937,219
Net realized gain (loss)	19,506,922	36,009,590	(28,241,497)	(10,817,410)	16,457,605
Net unrealized gain (loss)	(3,566,658)	(294,358)	(3,114,805)	(4,076,043)	(11,051,864)
Net income (loss)	$ 15,777,133	35,762,685	(30,749,661)	(14,447,197)	6,342,960
Net increase (decrease) in net asset value per share	$ 4.73	$ 5.24	$ (20.69)	$ (1.67)	$ (12.39)

	Three Months Ended (Unaudited)				Year Ended
	March 31, 2023	June 30, 2023	September 30, 2023	December 31, 2023	December 31, 2023
Net investment income (loss)	$ (245,278)	$ (292,751)	$ (324,516)	$ (338,410)	$ (1,200,955)
Net realized gain (loss)	5,287,054	37,164,451	15,738,591	40,504,431	98,694,527
Net unrealized gain (loss)	6,173,774	(811,301)	(12,928,171)	13,578,943	6,013,245
Net income (loss)	$ 11,215,550	$ 36,060,399	$ 2,485,904	$ 53,744,964	$ 103,506,817
Net increase (decrease) in net asset value per share	$ 1.92	$ 11.58	$ (0.10)	$ 9.75	$ 23.15

2x Long VIX Futures ETF

	Three Months Ended (Unaudited)				Year Ended
	March 31, 2024	June 30, 2024	September 30, 2024	December 31, 2024	December 31, 2024
Net investment income (loss)	$ (204,716)	$ (140,588)	$ (132,190)	$ (95,462)	$ (572,956)
Net realized gain (loss)	(30,744,766)	(29,512,794)	(7,095,465)	19,728,508	(47,624,517)
Net unrealized gain (loss)	886,443	3,707,269	1,135,620	10,715,992	16,445,324
Net income (loss)	$ (30,063,039)	$ (25,946,113)	$ (6,092,035)	30,349,038	(31,752,149)
Net increase (decrease) in net asset value per share	$ (50.49)	$ (31.55)	$ (7.90)	$ (13.40)	$ (103.34)

	Three Months Ended (Unaudited)				Year Ended
	March 31, 2023	June 30, 2023	September 30, 2023	December 31, 2023	December 31, 2023
Net investment income (loss)	$ (394,807)	$ (359,369)	$ (230,646)	$ (189,624)	$ (1,174,446)
Net realized gain (loss)	(43,229,755)	(142,872,642)	(42,049,000)	(48,623,098)	(276,774,495)
Net unrealized gain (loss)	(6,212,853)	(4,374,661)	30,931,703	(19,318,285)	1,025,904
Net income (loss)	$ (49,837,415)	$ (147,606,672)	$ (11,347,943)	$ (68,131,007)	$ (276,923,037)
Net increase (decrease) in net asset value per share	$ (1,337.05)	$ (1,144.32)	$ (96.80)	$ (209.71)	$ (2,787.88)

Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure.

Not applicable.

Item 9A. Controls and Procedures.

Disclosure Controls and Procedures

Under the supervision and with the participation of the principal executive officer and principal financial officer of the Trust, Trust management has evaluated the effectiveness of the Trust's and the Funds' disclosure controls and procedures, and the principal executive officer and principal financial officer have concluded that the disclosure controls and procedures of the Trust and the Funds (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "1934 Act")) were effective, as of December 31, 2024, to provide reasonable assurance that information required to be disclosed in the reports that the Trust files or submits under the 1934 Act on behalf of the Trust and the Funds is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to management, including the principal executive officer and principal financial officer, of the Trust as appropriate to allow timely decisions regarding required disclosure.

Management's Annual Report on Internal Control Over Financial Reporting

The Trust's management is responsible for establishing and maintaining adequate internal control over financial reporting of the Trust and the Funds, as defined in Rules 13a-15(f) and 15d-15(f) under the 1934 Act. The Trust's and the Funds' internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Internal control over financial reporting includes those policies and procedures that: (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Trust and the Funds; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that the Trust's and the Funds' receipts and expenditures are being made only in accordance with appropriate authorizations of management of the Trust on behalf of the Trust and the Funds; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Trust's or the Funds' assets that could have a material effect on the Trust's or the Funds' financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management, including the principal executive officer and principal financial officer of the Trust, assessed the effectiveness of the Trust's and the Funds' internal control over financial reporting as of December 31, 2024. Their assessment included an evaluation of the design of the Trust's and the Funds' internal control over financial reporting and testing of the operational effectiveness of their internal control over financial reporting. In making its assessment, the Trust's management has utilized the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in its report entitled *Internal Control – Integrated Framework (2013)*. Based on their assessment and those criteria, management, including the principal executive officer and principal financial officer of the Trust, concluded that the Trust's and the Funds' internal control over financial reporting was effective as of December 31, 2024.

Changes in Internal Control over Financial Reporting

There were no changes in the Trust's or the Funds' internal control over financial reporting that occurred during the year ended December 31, 2024 that have materially affected, or are reasonably likely to materially affect, the Trust's or the Funds' internal control over financial reporting.

Certifications

The certifications by the Principal Executive Officer and Principal Financial Officer of the Trust required by Section 302 and Section 906 of the Sarbanes-Oxley Act of 2002, which are filed or furnished as exhibits to this Annual Report on Form 10-K, apply both to the Trust taken as a whole and each Fund, and the Principal Executive Officer and Principal Financial Officer of the Trust are certifying both as to the Trust taken as a whole and each Fund.

Item 9B. Other Information.

Not applicable.

Item 9C. Disclosure Regarding Jurisdictions that Prevent Inspections.

Not applicable.

Part III.

Item 10. Directors, Executive Officers and Corporate Governance.

The Sponsor

Volatility Shares LLC, is the Sponsor of the Trust and the Funds. As noted above, the Sponsor has exclusive management and control of all aspects of the business of the Funds. The Trustee has no duty or liability to supervise the performance of the Sponsor, nor will the Trustee have any liability for the acts or omissions of the Sponsor.

As of December 31, 2024, the Sponsor serves as the Trust's commodity pool operator. Specifically, with respect to the Trust, the Sponsor:

- Manages and directs the Funds' portfolio of Financial Instruments and other assets, including cash and cash equivalents;
- selects the Funds' service providers;
- negotiates various agreements and fees;
- performs such other services as the Sponsor believes that the Trust may require from time to time;
- selects the FCM and Financial Instrument counterparties, if any; and
- Oversees the Commodity Sub-Adviser's management of the Funds' portfolio of Financial Instruments and other assets, including cash equivalents.

The Shares are not deposits or other obligations of the Sponsor, the Trustee or any of their respective subsidiaries or affiliates or any other bank, are not guaranteed by the Sponsor, the Trustee or any of their respective subsidiaries or affiliates or any other bank and are not insured by the Federal Deposit Insurance Corporation (the "FDIC") or any other governmental agency. An investment in the Shares of the Fund offered hereby is speculative and involves a high degree of risk.

The principal office of the Sponsor is located at 2000 PGA Boulevard, Suite 4440, Palm Beach Gardens, FL 33408. The telephone number of the Sponsor and the Trust is (866) 261-0273.

Background and Principals

As of December 31, 2024, Volatility Shares LLC, the Sponsor, is a limited liability company formed in Delaware on July 25, 2019. The Sponsor was formed for the purpose of sponsoring volatility-linked exchange-traded funds, of which the Funds are the first. Prior to its engagement as Sponsor of the Funds, the Sponsor had no operating history.

The Sponsor currently serves as the commodity pool operator of the Trust and the Funds. The Sponsor is registered as a commodity pool operator with the CFTC and is a member in good standing of the NFA. The Sponsor's membership with the NFA was originally approved on October 14, 2019. Its membership with the NFA is currently effective. The Sponsor's registration as a commodity pool operator was originally approved on October 14, 2019. Its registration as a commodity pool operator is currently effective. As a registered commodity pool operator, with respect to the Trust, the Sponsor must comply with various regulatory requirements under the CEA, and the rules and regulations of the CFTC and the NFA, including investor protection requirements, antifraud prohibitions, disclosure requirements, and reporting and recordkeeping requirements. The NFA approved the Sponsor as a Swaps Firm on October 14, 2019. The Sponsor is also subject to periodic examinations by the CFTC and NFA staff. Its principal place of business is 2000 PGA Boulevard, Suite 4440, Palm Beach Gardens, FL 33408. The telephone number of the Sponsor and the Trust is (866) 261-0273. The registration of the Sponsor with the CFTC and its membership in the NFA must not be taken as an indication that either the CFTC or the NFA has recommended or approved the Sponsor, the Trust and the Funds.

Executive Officers of the Trust and Principals and Significant Employees of the Sponsor

Name	Position
Justin Young*	Principal of the Sponsor (since 10/4/2019) Associated Person of the Sponsor (since 12/12/2019) Principal Executive Officer (since 4/8/2021) Principal Financial Officer (since 4/8/2021) Principal Accounting Officer of the Trust (since 4/8/2021)
Stuart Barton*	Principal of the Sponsor (since 10/2/2019) Associated Person of the Sponsor (since 10/14/2019) Chief Investment Officer (since 4/8/21)
Chang Kim*	Principal of the Sponsor (since 1/26/2022) Chief Compliance Officer (since 1/26/2022)
Charles Lowery*	Principal of the Sponsor (since 7/6/2023) Head of Product Management (since 7/6/2023)
Manzone LLC	Principal of the Sponsor (since 2/11/2021)

* Denotes principal of the Sponsor who participates in making trading decisions for the Funds.

The following is a biographical summary of the business experience of the executive officers of the Trust and the principals and significant employees of the Sponsor. Of the Principals listed below, only Justin Young, Stuart Barton, Chang Kim, and Charles Lowery participate in making trading or operational decisions for the Funds or supervise persons engaged in making trading or operational decisions for the Funds.

Justin Young holds a BA in American Studies from Georgetown University. From April 2017 to December 2023, he served as Managing Partner of Invest In Vol LLC (overseeing operations at an investment adviser); from August 2015 to April 2017, he was Vice President of Rex Shares LLC (overseeing product development at an ETF sponsor); from April 2011 to August 2015 he was Head of Capital Markets for Global X Management Company LLC (overseeing capital markets operations for an ETF sponsor); and from July 2009 to April 2011 he was an Associate of NYSE Euronext (working on a number of listing matters for a national securities exchange).

Stuart Barton holds a PhD in Economic History from the University of Cambridge, an MBA from the University of Surrey, and a B.Sc in engineering from the University of Cape Town. From March 2017 to December 2023, he served as Managing Partner of Invest In Vol LLC (overseeing operations at an investment adviser); from September 2016 to March 2017 he was Chief Investment Officer of Rex Shares (overseeing investments at an ETF sponsor); from September 2014 to September 2017 he was Managing Partner at Corpus Capital Partners LLC (overseeing operations at a commodity pool operator); from October 2010 to September 2014 he was a Ph.D. Candidate (completed Ph.D.) at the University of Cambridge, UK; from January 2008 to October 2010 he was unemployed and engaged in travel; from June 2007 to January 2008 he was Senior Equity Derivatives Trader at HSBC's Hong Kong office (traded derivatives at an investment bank); from September 2004 to June 2007 he was Senior Equity Derivatives Trader at Barclays Capital PLC in New York (traded derivatives at a broker-dealer); and from August 2001 to September 2004 he was Equity Derivatives Trader at Barclays Capital PLC in London.

Chang Kim holds a BA in Film Studies from Yale University. From January 2021 to December 2021, he served as the CEO of The Library Shop, Inc. (overseeing operations at an e-commerce business); from September 2009 to December 2020, he served as a Portfolio Manager and the COO at Global X Management Company LLC (overseeing operations at an ETF sponsor).

Charles Lowery holds a BS in Business Administration from Georgetown University. From March 2017 to April 2023, he was Director of ETF Portfolio Management at Milliman Financial Risk Management LLC (overseeing portfolio management and operations at an ETF sponsor); and from October 2006 to July 2016, he was a portfolio manager at ProShare Advisors LLC (managing trading and portfolio management for ETFs).

Manzone LLC became a Principal of the Sponsor on February 11, 2021. Manzone LLC has a passive ownership interest in the Sponsor and exercises no management authority over the Funds.

Duties of the Sponsor and Indemnification

The general fiduciary duties which would otherwise be imposed on the Sponsor (which would make its operation of the Trust as described herein impracticable due to the strict prohibition imposed by such duties on, for example, conflicts of interest on behalf of a fiduciary in its dealings with its beneficiaries), are replaced by the terms of the Trust Agreement (to which terms all shareholders, by subscribing to the Shares, are deemed to consent).

The Trust Agreement provides that the Sponsor and its affiliates shall have no liability to the Trust or to any shareholder for any loss suffered by the Trust arising out of any action or inaction of the Sponsor or its affiliates or their respective directors, officers, shareholders, partners, members, managers or employees (the "Sponsor Related Parties"), if the Sponsor Related Parties, in good faith, determined that such course of conduct was in the best interests of the Funds and such course of conduct did not constitute gross negligence or willful misconduct by the Sponsor Related Parties. The Trust has agreed to indemnify the Sponsor Related Parties against claims, losses or liabilities based on their conduct relating to the Trust, *provided* that the conduct resulting in the claims, losses or liabilities for which indemnity is sought did not constitute gross negligence or willful misconduct and was done in good faith and in a manner reasonably believed to be in the best interests of the Funds.

Under Delaware law, a beneficial owner of a statutory trust (such as a shareholder of the Funds) may, under certain circumstances, institute legal action on behalf of himself and all other similarly situated beneficial owners (a "class action") to recover damages for violations of fiduciary duties, or on behalf of a statutory trust (a "derivative action") to recover damages from a third party where there has been a failure or refusal to institute proceedings to recover such damages. In addition, beneficial owners may have the right, subject to certain legal requirements, to bring class actions in federal court to enforce their rights under the federal securities laws and the rules and regulations promulgated thereunder by the SEC. Beneficial owners who have suffered losses in connection with the purchase or sale of their beneficial interests may be able to recover such losses from the Sponsor where the losses result from a violation by the Sponsor of the anti-fraud provisions of the federal securities laws.

Under certain circumstances, shareholders also have the right to institute a reparations proceeding before the CFTC against the Sponsor (a registered commodity pool operator), an FCM, as well as those of their respective employees who are required to be registered under the CEA, and the rules and regulations promulgated thereunder. Private rights of action are conferred by the CEA. Investors in futures and in commodity pools may, therefore, invoke the protections provided thereunder.

The foregoing summary describing in general terms the remedies available to shareholders under federal law is based on statutes, rules and decisions as of the date of this Prospectus. As this is a rapidly developing and changing area of the law, shareholders who believe that they may have a legal cause of action against any of the foregoing parties should consult their own counsel as to their evaluation of the status of the applicable law at such time.

Code of Ethics

The Trust has adopted a code of ethics ("Code of Ethics") that applies to its Principal Executive Officer and Principal Financial Officer. A copy of the Code of Ethics can be obtained, without charge, upon written request to the Sponsor at the following address: VolatilityShares LLC, Attn: Chief Compliance Officer, 2000 PGA Boulevard, Suite 4440, Palm Beach Gardens, FL 33408.

The Commodity Sub-Adviser

Penserra Capital (the "Commodity Sub-Adviser"), with its principal office at 4 Orinda Way, suite 100-a, Orinda, CA. 94563, serves as the Funds' Commodity Sub-Adviser pursuant to a commodity sub-advisory agreement (the "Commodity Sub-Advisory Agreement"). Prior to November 1, 2022, Milliman FRM served as the Funds' commodity sub-adviser.

The Commodity Sub-Adviser formed in July 2009. It provides investment advisory services, specializing in ETF sub-advisory serves. The Commodity Sub-Adviser became an NFA member on September 20, 2022 and a registered commodity trading adviser on September 20, 2022. Previously, it was an NFA member from March 29, 2017 through May 19, 2018, when its membership was withdrawn, and was a commodity trading advisor from April 13, 2017 through May 19, 2018, when its registration was withdrawn.

The Commodity Sub-Adviser also provides services as an investment adviser or sub-adviser or CTA, to mutual funds, exchange-traded funds ("ETFs"), unit investment trusts ("UITs"), funds offered through bank collective investment trusts ("CITs"), and other exchange-traded products ("ETPs"). The strategy exercised for each product is designed to meet a particular investment goal. In the case of sub-advisory services, the primary adviser to the fund is usually responsible for the selection of underlying investments for the fund, and the Commodity Sub-Adviser manages strategies for the various funds' assets based on the investment goals and objectives as outlined in each of the funds' offering documents.

As of December 31, 2024, the Commodity Sub-Adviser no longer manages the Funds' assets. The Commodity Sub-Adviser was paid by the Sponsor an annual sub-advisory fee of 0.20% based on each Fund's average daily net assets (total assets of the Fund, minus the sum of its accrued liabilities). The Funds did not directly pay the Commodity Sub-Adviser.

As of September 16, 2024 (the "*Effective Date"*), the Sponsor began providing day-to-day portfolio management services to the Funds. Consistent therewith, the Sponsor has terminated Penserra Capital Management LLC as commodity sub-adviser to the Funds and the Commodity Sub-Advisory Agreement by and between the Sponsor and Penserra Capital Management LLC, also as of the Effective Date.

The following is a biographical summary of the business experience of the principals of the Commodity Sub-Adviser. Each of the principals listed below participate in making trading or operational decisions for the Funds or supervise persons engaged in making trading or operational decisions for the Funds.

Anthony Castelli joined the Commodity Sub-Adviser in August 2011 and has served as Chief Compliance Officer since August 2011. In that role, he oversees compliance and risk operations for Commodity Sub-Adviser. Mr. Kelkar was approved as a principal on September 9, 2022.

Dustin Allen Lewellyn joined the Commodity Sub-Adviser in September 2014 as a Managing Director. In that role he oversees equity and commodity interest trading. Mr. Lewellyn was approved as a principal on September 9, 2022.

George Madrigal joined the Commodity Sub-Adviser in August 2009 as President and Chief Operating Officer. In that role, he manages and oversees the operations of the Commodity Sub-Adviser. He also has served as President of Penserra Securities LLC since December 2007. Mr. Madrigal was approved as a principal on September 9, 2022.

Lee Wilson Geiger joined the Commodity Sub-Adviser in September 2014 as a Managing Director. In that role, he oversees equity and commodity interest trading. Mr. Lewellyn was approved as a principal on August 29, 2022, became registered as an associated person on September 20, 2022, and was approved as an NFA associate member on September 20, 2022.

Item 11. Executive Compensation.

The Funds have no employees or directors and are managed by the Sponsor. None of the officers of the Trust, or the members or officers of the Sponsor receive compensation from the Funds.

SVIX pays the Sponsor a management fee (the "Management Fee"), monthly in arrears, in an amount equal to 1.35% per annum of its average daily net assets. UVIX pays the Sponsor a Management Fee, monthly in arrears, in an amount equal to 1.65% per annum of its average daily net assets. "Average daily net assets" is calculated by dividing the month-end net assets of each Fund by the number of calendar days in such month.

No other Management Fee is paid by the Funds. The Management Fee is paid in consideration of the Sponsor's trading advisory services and the other services provided to the Fund that the Sponsor pays directly.

For the years ended December 31, 2024 and December 31, 2023, the following represents Management Fees earned by the Sponsor:

	Amount Year Ended December 31,	
Fund	**2024**	**2023**
-1x Short VIX Futures ETF	$ 3,149,545	$ 1,180,598
2x Long VIX Futures ETF	1,833,654	1,618,811

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

Not applicable.

Item 13. Certain Relationships and Related Transactions, and Director Independence.

Not applicable.

Item 14. Principal Accounting Fees and Services.

(1) to (4). Fees for services performed by Tait, Weller & Baker, LLP ("Tait Weller") and PricewaterhouseCoopers LLP (PwC) for the years ended December 31, 2024 and December 31, 2023 were as follows:

	Year Ended December 31, 2024	Year Ended December 31, 2023
-1x Short VIX Futures ETF		
Audit Fees	$ 18,037	$ 18,002
Tax Fees	197,759	111,420
	$ 215,796	$ 129,422
2x Long VIX Futures ETF		
Audit Fees	$ 18,037	$ 18,002
Tax Fees	405,492	109,825
	$ 423,529	$ 127,827
Combined Trust:	**$ 639,325**	**$ 257,249**

Audit fees for the year ended December 31, 2024 and December 31, 2023 consist of fees paid to Tait Weller for the audit of the Funds' December 31, 2024 and December 31, 2023 annual financial statements included in the Annual Report on Form 10-K for the years ended December 31, 2024 and December 31, 2023, for the review of the financial statements included in each Form 10-Q, and for the audits of financial statements included with registration statements. Tax fees include certain tax compliance and reporting services provided by PricewaterhouseCoopers ("PwC") to the Trust, including processing beneficial ownership information as it relates to the preparation of tax reporting packages and the subsequent delivery of related information to the IRS. Services also include assistance with tax reporting and related information using a web-based tax package product developed by PwC and a toll-free tax package support help line.

(5) The Sponsor approved all of the services provided by Tait Weller and PwC described above. The Sponsor pre-approves all audit and allowed non- audit services of the Trust's independent registered public accounting firm, including all engagement fees and terms.

Part IV.

Item 15. Exhibits and Financial Statement Schedules.

Financial Statement Schedules

See the Index to Financial Statements for a list of the financial statements being filed as part of this Annual Report on Form 10-K. Schedules may have been omitted since they are either not required, not applicable, or the information has otherwise been included.

Exhibit No.	Description of Document
3.1*	Restated Certificate of Trust
4.1**	Trust Agreement
4.2**	Form of Authorized Participant Agreement
4.3****	Description of Shares
10.1**	Form of Sponsor Agreement
10.2**	Form of Transfer Agency Services Agreement
10.3**	Form of Custodian Agreement
10.4**	Form of Marketing Agent Agreement

10.5**	Form of Futures Account Agreement
10.6**	Form of Administration Servicing Agreement
10.7**	Form of Sub-Administration Servicing Agreement
10.8**	Form of Fund Accounting Servicing Agreement
10.9***	Commodity Sub-Advisory Agreement
31.1****	Certification by Principal Executive Officer of the Trust Pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934, as amended
31.2****	Certification by Principal Financial Officer of the Trust Pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934, as amended
32.1****	Certification by Principal Executive Officer of the Trust Pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2****	Certification by Principal Financial Officer of the Trust Pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
97.1****	Policy Relating to Recovery of Erroneously Awarded Compensation
101.INS****	Inline XBRL Instance Document.
101.SCH****	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.CAL****	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF****	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB****	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE****	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104 ****	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

* Incorporated by reference to the Trust's Registration Statement, filed on January 6, 2022.

** Incorporated by reference to the Trust's Registration Statement, filed on August 26, 2020

*** Incorporated by reference to the Trust's Registration Statement, filed on September, 26, 2022.

**** Included herewith.

Item 16. Form 10-K Summary.

Not applicable.

Signatures

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this Annual Report to be signed on its behalf by the undersigned, thereunto duly authorized.

VS TRUST

/s/ Justin Young
By: Justin Young
Principal Executive Officer
Date: March 28, 2025

/s/ Justin Young
By: Justin Young
Principal Financial and Accounting Officer
Date: March 28, 2025

VS TRUST

Financial Statements as of December 31, 2024 and December 31, 2023

Index

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To Management of the Trust's Sponsor of
VS Trust

Opinion on the Financial Statements

We have audited the accompanying combined statements of assets and liabilities of VS Trust as of December 31, 2024 and 2023, and the related combined statements of operations, changes in net assets, and cash flows for the years ended December 31, 2024 and 2023, and the related notes (collectively referred to as the "combined financial statements"). In our opinion, the combined financial statements present fairly, in all material respects, the combined financial position of the Trust as of December 31, 2024 and 2023, and the results of their combined operations, combined changes in net assets, and combined cash flows for the periods stated above, in conformity with accounting principles generally accepted in the United States of America

We have also audited the accompanying statements of assets and liabilities of -1x Short VIX Futures ETF and 2x Long VIX Futures ETF (the "Funds"), each a series of VS Trust, including the schedules of investments as of December 31, 2024 and 2023, and the related statements of operations, changes in net assets, cash flows and the financial highlights for the years ended December 31, 2024 and 2023, 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 Funds as of December 31, 2024 and 2023, and the results of their operations, changes in net assets, cash flows and financial highlights for the periods stated above, in conformity with accounting principles generally accepted in the United States of America

Basis for Opinion

These combined financial statements and financial statements are the responsibility of the management of the Trust's sponsor. Our responsibility is to express an opinion on the Trust's combined financial statements and the Funds' financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Trust and the Funds in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB. We have served as the auditor of the Trust and the Funds since 2022.

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 combined financial statements and financial statements are free of material misstatement, whether due to error or fraud. The Trust and the Funds are not required to have, nor were we engaged to perform, an audit of their internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Trust's and Funds' internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the combined financial statements and 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 combined financial statements and financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the combined financial statements and financial statements. Our procedures included confirmation of securities owned as of December 31, 2024 by correspondence with the custodian and brokers. We believe that our audits provide a reasonable basis for our opinion.

Tait, Weller & Baker LLP

TAIT, WELLER & BAKER LLP

Philadelphia, Pennsylvania
March 28, 2025

VS Trust
Statements of Assets and Liabilities

	-1x Short VIX Futures ETF December 31, 2024	2x Long VIX Futures ETF December 31, 2024	-1x Short VIX Futures ETF December 31, 2023	2x Long VIX Futures ETF December 31, 2023
ASSETS				
Cash	$ -	$ 1,189,437	$ 5,032,398	$ -
Investments in securities, at value *	114,106,682	52,819,184	14,917,099	8,009,153
Interest receivable	595,610	383,703	117,866	58,172
Prepaid expenses and other assets	13,472	52,844	16,781	31,493
Deposits at Broker for Futures and Options Contracts	206,471,251	130,007,592	115,003,174	61,750,311
Variation margin receivable	-	4,152,478	-	148,593
Other receivable	4,952	-	2,839	-
Total Assets	321,191,967	188,605,238	135,090,157	69,997,722
LIABILITIES				
Payables				
Variation margin payable	3,655,035	-	204,703	-
Fund shares redeemed	16,505,580	-	9,447,400	-
Management fees payable	350,201	318,004	147,790	106,270
Administrative, accounting and custodian fees payable	69,969	16,395	28,065	25,429
Professional fees payable	313,037	444,580	154,412	133,724
Licensing and registration fees payable	174,322	115,000	50,368	67,303
Total Liabilities	21,068,144	893,979	10,032,738	332,726
NET ASSETS	$ 300,123,823	$ 187,711,259	$ 125,057,419	$ 69,664,996
NET ASSETS CONSIST OF:				
Paid-in capital	$ 173,281,568	$ 574,080,151	$ 4,558,124	$ 424,281,739
Total distributable earnings (accumulated deficit)	126,842,255	(386,368,892)	120,499,295	(354,616,743)
Net Assets	$ 300,123,823	$ 187,711,259	$ 125,057,419	$ 69,664,996

Net Asset Value (unlimited shares authorized):				
Class I (unlimited shares authorized):				
Net Assets	$ 300,123,823	$ 187,711,259	$ 125,057,419	$ 69,664,996
Shares Outstanding^	11,820,000	5,531,498(1)	3,310,000	507,498(2)
Net Asset Value, Offering and Redemption Price per Share	$ 25.39	$ 33.93(1)	$ 37.78	$ 137.27(2)
Market Value per Share	$ 25.37	$ 34.00(1)	$ 37.73	$ 137.30(2)
* Investments in securities, at cost	$ 113,974,059	$ 52,819,184	$ 15,728,432	$ 8,009,153

^ No Par Value

(1) Adjusted to reflect a 1:10 reverse stock split occurring on January 15, 2025, as if it occurred at the commencement of operations.

(2) Adjusted to reflect a 1:5 reverse stock split on January 25, 2023, a 1:10 reverse stock split on October 11, 2023, and a 1:10 reverse stock split on January 15, 2025, as if they occurred at the commencement of operations.

See accompanying notes to the financial statements.

VS Trust
Statements of Operations

	-1x Short VIX Futures ETF For the year ended December 31, 2024	2x Long VIX Futures ETF For the year ended December 31, 2024	-1x Short VIX Futures ETF For the year ended December 31, 2023	2x Long VIX Futures ETF For the year ended December 31, 2023
INVESTMENT INCOME				
Income:				
Dividends	$ 623	$ 462	$ -	$ -
Interest income	4,872,443	2,045,886	521,465	967,916
Total Income	4,873,066	2,046,348	521,465	967,916
Expenses:				
Management fees	3,149,545	1,833,654	1,180,598	1,618,811
Administrative, accounting and custodian fees	228,761	148,419	111,470	117,864
Professional fees	357,241	552,720	323,667	323,138
Licensing and registration fees	152,993	84,511	73,386	78,715
Broker interest expense	47,307	-	33,299	3,834
Total Expenses	3,935,847	2,619,304	1,722,420	2,142,362
Net Investment income (loss)	937,219	(572,956)	(1,200,955)	(1,174,446)
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS AND FUTURES CONTRACTS				
Net realized gain (loss) on:				
Futures	24,472,687	(47,624,517)	99,437,238	(276,774,495)
Options	(8,015,082)	-	(742,711)	-
Net change in unrealized appreciation (depreciation) of:				
Futures	(11,995,820)	16,445,324	6,824,578	1,025,904
Options	943,956	-	(811,333)	-

Net realized and unrealized gain (loss) on investments and futures contracts	**5,405,741**	**(31,179,193)**	**104,707,772**	**(275,748,591)**
NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS	**$ 6,342,960**	**$ (31,752,149)**	**$ 103,506,817**	**$(276,923,037)**

See accompanying notes to financial statements.

VS Trust
Statement of Changes in Net Assets

	-1x Short VIX Futures ETF	2x Long VIX Futures ETF	-1x Short VIX Futures ETF	2x Long VIX Futures ETF
	For the year ended December 31, 2024	For the year ended December 31, 2024	For the year ended December 31, 2023	For the year ended December 31, 2023
INCREASE (DECREASE) IN NET ASSETS:				
OPERATIONS				
Net investment income (loss)	$ 937,219	$ (572,956)	$ (1,200,955)	$ (1,174,446)
Net realized gain (loss) on investments and futures contracts	16,457,605	(47,624,517)	98,694,527	(276,774,495)
Net change in unrealized appreciation (depreciation) of investments and futures contracts	(11,051,864)	16,445,324	6,013,245	1,025,904
Net increase (decrease) in net assets resulting from operations	6,342,960	(31,752,149)	103,506,817	(276,923,037)
CAPITAL SHARE TRANSACTIONS				
Shares sold	828,649,566	742,224,982	282,198,849	469,583,438
Shares redeemed	(659,926,122)	(592,426,570)	(307,026,850)	(248,484,171)
Net increase (decrease) in net assets from capital share transactions	168,723,444	149,798,412	(24,828,001)	221,099,267
Total increase (decrease) in net assets	175,066,404	118,046,263	78,678,816	(55,823,770)
NET ASSETS				
Beginning of Period	125,057,419	69,664,996	46,378,603	125,488,766
End of Period	$ 300,123,823	$ 187,711,259	$ 125,057,419	$ 69,664,996

See accompanying notes to the financial statements.

VS Trust
Statements of Cash Flows

	-1x Short VIX Futures ETF	2x Long VIX Futures ETF	-1x Short VIX Futures ETF	2x Long VIX Futures ETF
	Year Ended December 31,	Year Ended December 31,	Year Ended December 31,	Year Ended December 31,

	2024	2024	2023	2023
CASH FLOW FROM OPERATING ACTIVITIES				
Net increase (decrease) in net assets resulting from operations	$ 6,342,960	$ (31,752,149)	$ 103,506,817	$(276,923,037)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities				
Purchase of investments	(1,049,664,730)	(675,548,842)	(536,234,321)	(556,160,309)
Proceeds from sales or maturities of investments held	943,404,021	630,738,811	519,763,178	556,401,441
Net realized gain/loss on investments in options	8,015,082	-	742,711	-
Net change in unrealized appreciation/depreciation on investments in options	(943,956)	-	811,333	-
Decrease (Increase) in Deposits at broker for futures and option contracts	(91,468,077)	(68,257,281)	(66,858,620)	53,070,961
Decrease (Increase) in Variation margin receivable	-	(4,003,885)	-	682,247
Decrease (Increase) in Prepaid expenses and other assets	3,309	(21,351)	(6,486)	(15,827)
Decrease (Increase) in interest receivable	(477,744)	(325,531)	(104,957)	(7,689)
Decrease (Increase) in other receivable	(2,113)	-	(2,268)	579
Increase (Decrease) in Variation margin payable	3,450,332	-	17,673	-
Increase (Decrease) in Payable to Sponsor	202,411	211,734	93,416	(70,568)
Increase (Decrease) in Administrative, accounting and custodian fees payable	41,904	(9,034)	12,196	5,472
Increase (Decrease) in Professional fees payable	158,625	310,856	29,138	(69,687)
Increase (Decrease) in Licensing and registration fees payable	123,954	47,697	41,607	56,122
Net cash provided by (used in) operating activities	(180,814,022)	(148,608,975)	21,811,417	(223,030,295)
CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from shares sold, net of receivable for shares sold	828,649,566	742,224,982	282,198,849	471,514,466
Cost of shares redeemed, net of payable for shares redeemed	(652,867,942)	(592,426,570)	(299,482,468)	(248,484,171)
Net cash provided by (used in) financing activities	175,781,624	149,798,412	(17,283,619)	223,030,295
NET INCREASE (DECREASE) IN CASH	(5,032,398)	1,189,437	4,527,798	-
Beginning of Period	5,032,398	-	504,600	-
End of Period	$ -	$ 1,189,437	$ 5,032,398	$ -

See accompanying notes to the financial statements.

-1x Short VIX Futures ETF
Schedule of Investments
December 31, 2024

	Notional Amount	Contracts	Value
PURCHASED OPTIONS - 0.5%			
Call Options - 0.5%			
CBOE Volatility Index, Expiration: 02/19/2025; Exercise Price: $28.00 (a)(b)	$ 24,290,000	14,000	$ 1,484,000
TOTAL PURCHASED OPTIONS (Cost $1,351,377)			1,484,000

	Shares	Value
SHORT-TERM INVESTMENTS - 37.5%		
Money Market Funds - 37.5%		
First American Government Obligations Fund - Class X, 4.41% (c)(d)	112,622,682	112,622,682
TOTAL SHORT-TERM INVESTMENTS (Cost $112,622,682)		112,622,682

TOTAL INVESTMENTS - 38.0% (Cost $113,974,059)	114,106,682
Other Assets in Excess of Liabilities - 62.0% [(e)]	186,017,141
TOTAL NET ASSETS - 100.0%	$ 300,123,823

Percentages are stated as a percent of net assets.

(a) Exchange-traded.

(b) 100 shares per contract.

(c) The rate shown represents the 7-day annualized effective yield as of December 31, 2024.

(d) Fair value of this security exceeds 25% of the Fund's net assets. Additional information for this security, including the financial statements, is available from the SEC's EDGAR database at www.sec.gov.

(e) Includes cash of $206,471,251 that is pledged as collateral for options and futures contracts.

-1x Short VIX Futures ETF
Schedule of Futures Contracts
December 31, 2024

Description	**Contracts Sold**	**Expiration Date**	**Notional Value**	**Value / Unrealized Appreciation (Depreciation)**
CBOE VIX FUTURE Feb25	(6,959)	02/19/2025	$ 124,496,510	$ (919,561)
CBOE VIX FUTURE Jan25	(10,051)	01/22/2025	175,691,480	(4,427,348)
Net Unrealized Appreciation (Depreciation)				$ (5,346,909)

Summary of Fair Value Disclosure as of December 31, 2024

-1x Short VIX Futures ETF has adopted authoritative fair value accounting standards which establish an authoritative definition of fair value and set out a hierarchy for measuring fair value. These standards require additional disclosures about the various inputs and valuation techniques used to develop the measurements of fair value, a discussion of changes in valuation techniques and related inputs during the period, and expanded disclosure of valuation levels for major security types. These inputs are summarized in the three broad levels listed below. The inputs or methodology used for valuing securities are not an indication of the risk associated with investing in those securities.

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

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

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

The following is a summary of the fair valuation hierarchy of the Fund's securities as of December 31, 2024:

	Level 1	**Level 2**	**Level 3**	**Total**
Assets:				
Investments:				
Purchased Options	$ 1,484,000	$ –	$ –	$ 1,484,000

Money Market Funds	112,622,682	–	–	112,622,682
Total Investments	$ 114,106,682	$ –	$ –	$ 114,106,682
Liabilities:				
Other Financial Instruments:				
Futures Contracts*	–	(5,346,909)	–	(5,346,909)
Total Other Financial Instruments	$ –	$ (5,346,909)	$ –	$ (5,346,909)

* The fair value of the Fund's investment represents the net unrealized appreciation (depreciation) as of December 31, 2024.

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

-1x Short VIX Futures ETF
Schedule of Investments
December 31, 2023

	Notional Amount	Contracts	Value
PURCHASED OPTIONS - 0.29%			
Call Options - 0.29%			
CBOE VIX, Expiration: 01/17/2024; Exercise Price: $26.00	$ 29,880,000	24,000	$ 360,000
TOTAL PURCHASED OPTIONS (Cost $1,171,333)			360,000

	Shares	Value
SHORT-TERM INVESTMENTS – 11.64%		
Money Market Funds – 11.64%		
First American Government Obligations Fund - Class X, 5.28% (a)	14,557,099	14,557,099
TOTAL SHORT-TERM INVESTMENTS (Cost $14,557,099)		14,557,099
TOTAL INVESTMENTS - 11.93% (Cost $15,728,432)		14,917,099
Other Assets in Excess of Liabilities - 88.07% (b)		110,140,320
TOTAL NET ASSETS - 100.0%		$ 125,057,419

Percentages are stated as a percent of net assets.

(a) Represents annualized seven-day yield at December 31, 2023.

(b) $115,003,174 of cash is pledged as collateral for options and futures contracts.

-1x Short VIX Futures ETF
Schedule of Futures Contracts
December 31, 2023

Value /
Unrealized

Description	Contracts Sold	Expiration Date	Notional Value	Appreciation (Depreciation)
CBOE VIX FUTURE Jan24	(5,055)	01/17/2024	$ 70,972,200	$ 5,749,910
CBOE VIX FUTURE Feb24	(10,051)	02/14/2024	54,096,020	2,230,774
Net Unrealized Appreciation (Depreciation)				$ 7,980,694

Summary of Fair Value Disclosure as of December 31, 2023

-1x Short VIX Futures ETF has adopted authoritative fair value accounting standards which establish an authoritative definition of fair value and set out a hierarchy for measuring fair value. These standards require additional disclosures about the various inputs and valuation techniques used to develop the measurements of fair value, a discussion of changes in valuation techniques and related inputs during the period, and expanded disclosure of valuation levels for major security types. These inputs are summarized in the three broad levels listed below. The inputs or methodology used for valuing securities are not an indication of the risk associated with investing in those securities.

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

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

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

The following is a summary of the fair valuation hierarchy of the Fund's securities as of December 31, 2023:

	Level 1	Level 2	Level 3	Total
Assets:				
Investments:				
Purchased Options	$ 360,000	$ –	$ –	$ 360,000
Money Market Funds	14,557,099	–	–	14,557,099
Total Investments	$ 14,917,099	$ –	$ –	$ 14,917,099
Other Financial Instruments:				
Futures Contracts*	–	7,980,694	–	7,980,694
Total Other Financial Instruments	$ –	$ 7,980,694	$ –	$ 7,980,694

* The fair value of the Fund's investment represents the net unrealized appreciation (depreciation) as of December 31, 2023.

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

See accompanying notes to financial statements.

2x Long VIX Futures ETF
Schedule of Investments
December 31, 2024

	Shares	Value
SHORT-TERM INVESTMENTS - 28.1%		
Money Market Funds - 28.1%		
First American Government Obligations Fund - Class X, 4.41% (a)(b)	52,819,184	$ 52,819,184
TOTAL SHORT-TERM INVESTMENTS (Cost $52,819,184)		52,819,184

TOTAL INVESTMENTS - 28.1% (Cost $52,819,184)	52,819,184
Other Assets in Excess of Liabilities - 71.9% [(c)]	134,892,075
TOTAL NET ASSETS - 100.0%	$ 187,711,259

Percentages are stated as a percent of net assets.

(a) The rate shown represents the 7-day annualized effective yield as of December 31, 2024.

(b) Fair value of this security exceeds 25% of the Fund's net assets. Additional information for this security, including the financial statements, is available from the SEC's EDGAR database at www.sec.gov.

(c) Includes cash of $130,007,592 that is pledged as collateral for futures contracts.

2x Long VIX Futures ETF
Schedule of Futures Contracts
December 31, 2024

Description	**Contracts Purchased**	**Expiration Date**	**Notional Value**	**Value / Unrealized Appreciation (Depreciation)**
CBOE VIX FUTURE Feb25	8,706	02/19/2025	$ 155,750,340	$ (984,305)
CBOE VIX FUTURE Jan25	12,575	01/22/2025	219,811,000	9,252,011
Net Unrealized Appreciation (Depreciation)				$ 8,267,706

Summary of Fair Value Disclosure as of December 31, 2024

2x Long VIX Futures ETF has adopted authoritative fair value accounting standards which establish an authoritative definition of fair value and set out a hierarchy for measuring fair value. These standards require additional disclosures about the various inputs and valuation techniques used to develop the measurements of fair value, a discussion of changes in valuation techniques and related inputs during the period, and expanded disclosure of valuation levels for major security types. These inputs are summarized in the three broad levels listed below. The inputs or methodology used for valuing securities are not an indication of the risk associated with investing in those securities.

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

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

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

The following is a summary of the fair valuation hierarchy of the Fund's securities as of December 31, 2024:

	Level 1	**Level 2**	**Level 3**	**Total**
Assets:				
Investments:				
Money Market Funds	$ 52,819,184	$ –	$ –	$ 52,819,184
Total Investments	$ 52,819,184	$ –	$ –	$ 52,819,184
Other Financial Instruments:				
Futures Contracts*	–	9,252,011	–	9,252,011

Total Other Financial Instruments	$ –	$ 9,252,011	$ –	$ 9,252,011
Liabilities:				
Other Financial Instruments:				
Futures Contracts*	–	(984,305)	–	(984,305)
Total Other Financial Instruments	$ –	$ (984,305)	$ –	$ (984,305)

* The fair value of the Fund's investment represents the net unrealized appreciation (depreciation) as of December 31, 2024.

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

2x Long VIX Futures ETF
Schedule of Investments
December 31, 2023

	Shares	Value
SHORT-TERM INVESTMENTS – 11.50%		
Money Market Funds – 11.50%		
First American Government Obligations Fund - Class X, 5.28% [(a)]	8,009,153	$ 8,009,153
TOTAL SHORT-TERM INVESTMENTS (Cost $8,009,153)		8,009,153
TOTAL INVESTMENTS – 11.50% (Cost $8,009,153)		8,009,153
Other Assets in Excess of Liabilities – 88.50% [(b)]		61,655,843
TOTAL NET ASSETS - 100.0%		$ 69,664,996

Percentages are stated as a percent of net assets.

(a) Represents annualized seven-day yield at December 31, 2023.

(b) $61,750,311 of cash is pledged as collateral for futures contracts.

2x Long VIX Futures ETF
Schedule of Futures Contracts
December 31, 2023

Description	Contracts Purchased	Expiration Date	Notional Value	Value / Unrealized Appreciation (Depreciation)
CBOE VIX FUTURE Jan24	5,633	01/17/2024	$ 79,087,320	$ (5,616,125)
CBOE VIX FUTURE Feb24	3,943	02/14/2024	60,288,470	(2,561,493)
Net Unrealized Appreciation (Depreciation)				$ (8,177,618)

Summary of Fair Value Disclosure as of December 31, 2023

2x Long VIX Futures ETF has adopted authoritative fair value accounting standards which establish an authoritative definition of fair value and set out a hierarchy for measuring fair value. These standards require additional disclosures about the various inputs and valuation techniques used to develop the measurements of fair value, a discussion of changes in valuation techniques and related inputs during the period, and expanded disclosure of valuation levels for major security types. These inputs are summarized in the three broad levels listed below. The inputs or methodology used for valuing securities are not an indication of the risk associated with investing in those securities.

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

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

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

The following is a summary of the fair valuation hierarchy of the Fund's securities as of December 31, 2023:

	Level 1	Level 2	Level 3	Total
Assets:				
Investments:				
Money Market Funds	$ 8,009,153	$ –	$ –	$ 8,009,153
Total Investments	$ 8,009,153	$ –	$ –	$ 8,009,153
Liabilities:				
Other Financial Instruments:				
Futures Contracts*	–	(8,177,618)	–	(8,177,618)
Total Other Financial Instruments	$ –	$ (8,177,618)	$ –	$ (8,177,618)

* The fair value of the Fund's investment represents the net unrealized appreciation (depreciation) as of December 31, 2023.

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

VS Trust
Combined Statement of Assets and Liabilities
December 31, 2024

ASSETS	
Cash	$ 1,189,437
Investments in securities, at value *	166,925,866
Interest receivable	979,313
Prepaid expenses and other assets	66,316
Receivable for shares sold	336,478,843
Variation margin receivable	4,152,478
Other receivable	4,952
Total Assets	509,797,205
LIABILITIES	
Payables	
Variation margin payable	3,655,035
Fund shares redeemed	16,505,580
Management fees payable	668,205

Administrative, accounting and custodian fees payable	86,364
Professional fees payable	757,617
Licensing and registration fees payable	289,322
Total Liabilities	21,962,123
NET ASSETS	$ 487,835,082
NET ASSETS CONSIST OF:	
Paid-in capital	$ 747,361,719
Total distributable earnings (accumulated deficit)	(259,526,637)
Net Assets	$ 487,835,082
NET ASSET VALUE:	
Class I (unlimited shares authorized):	
Net Assets	$ 487,835,082
Shares Outstanding^	17,351,498
* Investments in securities, at cost	$ 166,793,243

^ No Par Value

See accompanying notes to the financial statements.

VS Trust

Combined Statement of Assets and Liabilities [1]

December 31, 2023

ASSETS	
Cash	$ 5,032,398
Investments in securities, at value *	22,926,252
Interest receivable	176,038
Prepaid expenses and other assets	48,274
Deposits at Broker for Futures and Options Contracts	176,753,485
Variation margin receivable	148,593
Other receivable	2,839
Total Assets	$ 205,087,879
LIABILITIES	
Payables	
Variation margin payable	$ 204,703
Fund shares redeemed	9,447,400
Management fees payable	254,060
Administrative, accounting and custodian fees payable	53,494
Professional fees payable	288,136
Licensing and registration fees payable	117,671
Total Liabilities	10,365,464
NET ASSETS	$ 194,722,415
NET ASSETS CONSIST OF:	
Paid-in capital	$ 428,839,863
Total distributable earnings (accumulated deficit)	(234,117,448)
Net Assets	$ 194,722,415

NET ASSET VALUE:

Class I (unlimited shares authorized):	
Net Assets	$ 194,722,415
Shares Outstanding^	3,817,498
* Investments in securities, at cost	$ 23,737,585

^ No Par Value

(1) The Fund commenced operations on March 28, 2022.

See accompanying notes to the financial statements.

VS Trust
Combined Statement of Operations
For The Year Ended December 31, 2024

INVESTMENT INCOME	
Income:	
Dividends	$ 1,085
Interest income	6,918,329
Total Income	6,919,414
Expenses:	
Management fees	4,983,199
Administrative, accounting and custodian fees	377,180
Professional fees	909,961
Licensing and registration fees	237,504
Broker interest expense	47,307
Total Expenses	6,555,151
Net Investment loss	364,263
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS AND FUTURES CONTRACTS	
Net realized gain (loss) on:	
Futures	(23,151,830)
Options	(8,015,082)
Net change in unrealized appreciation (depreciation) of:	
Futures	4,449,504
Options	943,956
Net realized and unrealized gain (loss) on investments and futures contracts	(25,773,452)
NET DECREASE IN NET ASSETS RESULTING FROM OPERATIONS	$ (25,409,189)

See accompanying notes to financial statements.

VS Trust
Combined Statement of Operations
For The Year Ended December 31, 2023

INVESTMENT INCOME

Income:	
Interest income	$ 1,489,381
Total Income	1,489,381
Expenses:	
Management fees	2,799,409
Administrative, accounting and custodian fees	229,334
Professional fees	646,805
Licensing and registration fees	152,101
Broker interest expense	37,133
Total Expenses	3,864,782
Net Investment loss	(2,375,401)
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS AND FUTURES CONTRACTS	
Net realized gain (loss) on:	
Options	(742,711)
Futures	(177,337,257)
Net change in unrealized appreciation (depreciation) of:	
Options	(811,333)
Futures	7,850,482
Net realized and unrealized gain (loss) on investments and futures contracts	(171,040,819)
NET DECREASE IN NET ASSETS RESULTING FROM OPERATIONS	$(173,416,220)

See accompanying notes to financial statements.

VS Trust
Combined Statement of Changes in Net Assets
For The Year Ended December 31, 2024

INCREASE (DECREASE) IN NET ASSETS:	
OPERATIONS	
Net investment loss	$ 364,263
Net realized gain (loss) on investments and futures contracts	(31,166,912)
Net change in unrealized appreciation (depreciation) of investments and futures contracts	5,393,460
Net decrease in net assets resulting from operations	(25,409,189)
CAPITAL SHARE TRANSACTIONS	
Shares sold	1,570,874,548
Shares redeemed	(1,252,352,692)
Net increase in net assets from capital share transactions	318,521,856
Total increase in net assets	$ 293,112,667
NET ASSETS	
Beginning of Year	$ 194,722,415
End of Year	$ 487,835,082

See accompanying notes to the financial statements.

VS Trust
Combined Statement of Changes in Net Assets
For The Year Ended December 31, 2023

INCREASE (DECREASE) IN NET ASSETS:	
OPERATIONS	
Net investment loss	$ (2,375,401)
Net realized gain (loss) on investments and futures contracts	(178,079,968)
Net change in unrealized appreciation (depreciation) of investments and futures contracts	7,039,149
Net decrease in net assets resulting from operations	(173,416,220)
CAPITAL SHARE TRANSACTIONS	
Shares sold	751,782,287
Shares redeemed	(555,511,021)
Net increase in net assets from capital share transactions	196,271,266
Total increase in net assets	22,855,046
NET ASSETS	
Beginning of Year	171,867,369
End of Year	$ 194,722,415

See accompanying notes to the financial statements.

VS Trust
Combined Statements of Cash Flows
For The Year Ended December 31, 2024

CASH FLOW FROM OPERATING ACTIVITIES	
Net increase (decrease) in net assets resulting from operations	$ (25,409,189)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities	
Purchase of investments	(1,725,213,572)
Proceeds from sales or maturities of investments held	1,574,142,832
Net realized gain/loss on investments held	8,015,082
Net change in unrealized appreciation/depreciation on investments in options	(943,956)
Decrease (Increase) in Deposits at broker for futures and option contracts	(159,725,358)
Decrease (Increase) in Variation margin receivable	(4,003,885)
Decrease (Increase) in Prepaid expenses and other assets	(18,042)
Decrease (Increase) in interest receivable	(803,275)
Decrease (Increase) in other receivables	(2,113)
Increase (Decrease) in Variation margin payable	3,450,332
Increase (Decrease) in Payable to Sponsor	414,145
Increase (Decrease) in Administrative, accounting and custodian fees payable	32,870
Increase (Decrease) in Professional fees payable	469,481
Increase (Decrease) in Licensing and registration fees payable	171,651
Net cash provided by (used in) operating activities	(329,422,997)
CASH FLOW FROM FINANCING ACTIVITIES	
Proceeds from shares sold, net of cost from shares purchased	1,570,874,548
Cost of shares redeemed	(1,245,294,512)
Net cash provided by (used in) financing activities	325,580,036
NET INCREASE IN CASH	(3,842,961)
Beginning of Year	$ 5,032,398
End of Year	

	$ 1,189,437

See accompanying notes to the financial statements.

VS Trust
Combined Statements of Cash Flows
For The Year Ended December 31, 2023

CASH FLOW FROM OPERATING ACTIVITIES	
Net increase (decrease) in net assets resulting from operations	$ (173,416,220)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities	
Purchase of investments	(1,092,394,630)
Proceeds from sales or maturities of investments held	1,076,164,619
Net realized gain/loss on investments held	742,711
Net change in unrealized appreciation/depreciation on investments in options	811,333
Decrease (Increase) in Deposits at broker for futures and option contracts	(13,787,659)
Decrease (Increase) in Variation margin receivable	682,247
Decrease (Increase) in Prepaid expenses and other assets	(22,313)
Decrease (Increase) in interest receivable	(112,646)
Decrease (Increase) in other receivables	(1,689)
Increase (Decrease) in Variation margin payable	17,673
Increase (Decrease) in Payable to Sponsor	22,848
Increase (Decrease) in Administrative, accounting and custodian fees payable	17,668
Increase (Decrease) in Professional fees payable	(40,549)
Increase (Decrease) in Licensing and registration fees payable	97,729
Net cash provided by (used in) operating activities	(201,218,878)
CASH FLOW FROM FINANCING ACTIVITIES	
Proceeds from shares sold, net of cost from shares purchased	753,713,315
Cost of shares redeemed	(547,966,639)
Net cash provided by (used in) financing activities	205,746,676
NET INCREASE IN CASH	4,527,798
Beginning of Year	$ 504,600
End of Year	$ 5,032,398

See accompanying notes to the financial statements.

VS Trust
Notes to Financial Statements
December 31, 2024

NOTE 1 – ORGANIZATION

VS Trust (the "Trust") is a Delaware statutory trust formed on October 24, 2019 and is currently organized into separate series (each, a "Fund" and collectively, the "Funds"). As of December 31, 2024, the following two series of the Trust have commenced investment operations: -1x Short VIX Futures ETF ("SVIX") and 2x Long VIX Futures ETF ("UVIX"). Each of the Funds listed above issues common units of beneficial interest ("Shares"), which represent units of fractional undivided beneficial interest in and ownership of only that Fund. The Shares of each Fund are listed on the Cboe BZX Exchange ("Cboe BZX").

The Funds' inception of operation was March 28, 2022. Neither the Trust nor the Funds had any operations prior to March 28, 2022, other than matters relating to its organization and the registration of each series under the Securities Act of 1933.

Each Fund's investment exposure to VIX futures contracts will cause each to be deemed a commodity pool, thereby subjecting each Fund to regulation under the Commodity Exchange Act of 1934 ("CEA") and Commodity Futures Trading Commission ("CFTC") rules. The Sponsor is registered as a Commodity Pool Operator ("CPO") and the Fund will be operated in accordance with applicable CFTC rules. Registration as a CPO imposes additional compliance obligations on the Sponsor and the Funds related to additional laws, regulations and enforcement policies, which could increase compliance costs and may affect the operations and financial performance of the Funds.

Volatility Shares LLC (the "Sponsor") is the sponsor of the Trust and the Funds. The Sponsor also will serve as the Trust's commodity pool operator. The Funds are commodity pools, as defined under the Commodity Exchange Act (the "CEA"), and the applicable regulations of the CFTC and are operated by the Sponsor, which is registered as a commodity pool operator with the CFTC. The Trust is not an investment company registered under the Investment Company Act of 1940.

On January 11, 2023, the Trust's Sponsor announced a one-for-five reverse share split for shares of the 2x Long VIX Futures ETF, effective after the close of business on January 24, 2023. On January 25, 2023, shareholders will be deemed to hold one Fund share for every five Fund shares previously held as of the close of business on January 24, 2023. The reverse share split did not change the total value of the shareholders' investments in the Fund. This reverse share split is reflected in the financial statements.

On September 22, 2023, the Trust's Sponsor announced a one-for-ten reverse share split for shares of the 2x Long VIX Futures ETF, effective after the close of business on October 10, 2023. On October 11, 2023, shareholders will be deemed to hold one Fund share for every ten Fund shares previously held as of the close of business on October 10, 2023. The reverse share split did not change the total value of the shareholders' investments in the Fund. This reverse share split is reflected in the financial statements.

On December 31, 2024, the Trust's Sponsor announced a one-for-ten reverse share split for shares of the 2x Long VIX Futures ETF, effective after the close of business on January 14, 2025. On January 15, 2025, shareholders will be deemed to hold one Fund share for every ten Fund shares previously held as of the close of business on January 14, 2025. The reverse share split did not change the total value of the shareholders' investments in the Fund. This reverse share split is reflected in the financial statements.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

Each Fund is an investment company, as defined by Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 946 "Financial Services — Investment Companies." As such, the Funds follow the investment company accounting and reporting guidance. The following is a summary of significant accounting policies followed by each Fund, as applicable, in preparation of its financial statements. These policies are in conformity with accounting principles generally accepted in the United States of America ("GAAP").

The accompanying unaudited financial statements were prepared in accordance with GAAP for interim financial information and with the instructions for Form 10-K and the rules and regulations of the U.S. Securities and Exchange Commission ("SEC"). In the opinion of management, all material adjustments, consisting only of normal recurring adjustments, considered necessary for a fair statement of the interim period financial statements have been made. Interim period results are not necessarily indicative of results for a full-year period.

Emerging growth company

The Trust is an "emerging growth company," as defined in the Jumpstart Our Business Startups Act of 2012. It will remain an emerging growth company until the earlier of (1) the beginning of the first fiscal year following the fifth anniversary of its initial public offering, (2) the beginning of the first fiscal year after annual gross revenue is $1.235 billion (subject to adjustment for inflation) or more, (3) the date on which the Fund has, during the previous three-year period, issued more than $1.0 billion in non-convertible debt securities and (4) as of the end of any fiscal year in which the market value of common equity held by non-affiliates exceeded $700 million as of the end of the second quarter of that fiscal year.

For as long as the Trust remains an "emerging growth company," it may take advantage of certain exemptions from the various reporting requirements that are applicable to public companies that are not "emerging growth companies" including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation and financial statements in our periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote to approve executive compensation and shareholder approval of any golden parachute payments not previously approved. The Trust will take advantage of these reporting exemptions until it is no longer an “emerging growth company.”

Use of Estimates & Indemnifications

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

In the normal course of business, the Trust enters into contracts that contain a variety of representations which provide general indemnifications. The Trust’s maximum exposure under these arrangements cannot be known; however, the Trust expects any risk of loss to be remote.

Basis of Presentation

Pursuant to rules and regulations of the SEC, these financial statements are presented for the Trust as a whole, as the SEC registrant, and for each Fund individually. The debts, liabilities, obligations and expenses incurred, contracted for or otherwise existing with respect to a particular Fund shall be enforceable only against the assets of such Fund and not against the assets of the Trust generally or any other Fund. Accordingly, the assets of each Fund of the Trust include only those funds and other assets that are paid to, held by or distributed to the Trust for the purchase of Shares in that Fund.

Statements of Cash Flows

The cash amount shown in the Statements of Cash Flows is the amount reported as cash in the Statements of Financial Condition dated December 31, 2024 and December 31, 2023, and represents cash but does not include short-term investments.

Final Net Asset Value for Fiscal Period

The cut-off times and the times of the calculation of the Funds’ final net asset value for creation and redemption of fund Shares for the three months ended December 31, 2024 were typically as follows. All times are Eastern Standard Time:

Fund	Create/Redeem Cut-off*(EST)	NAV Calculation Time (EST)	NAV Calculation Date
-1x Short VIX Futures ETF and	2:00 p.m.	4:00 p.m.	December 31, 2024
2x Long VIX Futures ETF	2:00 p.m.	4:00 p.m.	December 31, 2024

* Although the Funds’ shares may continue to trade on secondary markets subsequent to the calculation of the final NAV, these times represent the final opportunity to transact in creation or redemption units for the three months ended December 31, 2023.

Market value per Share is determined at the close of Cboe BZX and may be later than when the Funds’ NAV per Share is calculated.

For financial reporting purposes, the Funds value transactions based upon the final closing price in their primary markets. Accordingly, the investment valuations in these financial statements may differ from those used in the calculation of certain of the Funds’ final creation/redemption NAV for the three months ended December 31, 2023.

Investment Valuation

Short-term investments are valued at amortized cost which approximates fair value for daily NAV purposes. For financial reporting purposes, short- term investments are valued at their market price using information provided by a third-party pricing service or market quotations. In each of these situations, valuations are typically categorized as Level I in the fair value hierarchy.

VIX futures contracts are valued using the Time Weighted Average Price (TWAP) of the futures during the last 15 minutes of NYSE’s regular trading session, rather than solely from the VIX futures’ settlement price. The value of a Fund’s non-exchange-traded Financial Instruments typically is determined by applying the then-current disseminated levels for the Index to the terms of the Fund’s non-exchange-traded Financial Instruments.

In certain circumstances (e.g., if the Sponsor believes market quotations do not accurately reflect the fair value of a Fund's investment, or a trading halt closes an exchange or market early), the Sponsor may, in its sole discretion, choose to determine a fair value price as the basis for determining the market value of such investment for such day. Such fair value prices would generally be determined based on available inputs about the current value of the underlying VIX futures contract and would be based on principles that the Sponsor deems fair and equitable.

The Funds may use a variety of money market instruments. Money market instruments generally will be valued using market prices or at amortized cost.

Fair value pricing may require subjective determinations about the value of an investment. While the Funds' policies are intended to result in a calculation of its respective Fund's NAV that fairly reflects investment values as of the time of pricing, such Fund cannot ensure that fair values determined by the Sponsor or persons acting at their direction would accurately reflect the price that a Fund could obtain for an investment if it were to dispose of that investment as of the time of pricing (for instance, in a forced or distressed sale). The prices used by such Fund may differ from the value that would be realized if the investments were sold and the differences could be material to the financial statements.

Investment Transactions and Related Income

Investment transactions are recorded on the trade date. All such transactions are recorded on the identified cost basis and marked to market daily. Unrealized appreciation (depreciation) on open contracts are reflected in the Statements of Financial Condition and changes in the unrealized appreciation (depreciation) between periods are reflected in the Statements of Operations.

Interest income is recognized on an accrual basis and includes, where applicable, the amortization of premium or discount, and is reflected as Interest Income in the Statement of Operations.

Brokerage Commissions and Futures Account Fees

Each Fund pays its respective brokerage commissions, including applicable exchange fees, National Futures Association ("NFA") fees, give-up fees, pit brokerage fees and other transaction related fees and expenses charged in connection with trading activities for each Fund's investment in U.S. Commodity Futures Trading Commission ("CFTC") regulated investments. The effects of trading spreads, financing costs/fees associated with Financial Instruments, and costs relating to the purchase of U.S. Treasury securities or similar high credit quality short-term fixed-income would also be borne by the Funds. Brokerage commissions on futures contracts are recognized on a half-turn basis (e.g., the first half is recognized when the contract is purchased (opened) and the second half is recognized when the transaction is closed).

Federal Income Tax

Each Fund is registered as a series of a Delaware statutory trust and is treated as a partnership for U.S. federal income tax purposes. Accordingly, no Fund expects to incur U.S. federal income tax liability; rather, each beneficial owner of a Fund's Shares is required to take into account its allocable share of its Fund's income, gain, loss, deductions and other items for its Fund's taxable year ending with or within the beneficial owner's taxable year.

Management of the Funds has reviewed all open tax years and major jurisdictions (i.e., the last four tax year ends and the interim tax period since then, as applicable) and concluded that there is no tax liability resulting from unrecognized tax benefits relating to uncertain income tax positions taken or expected to be taken in future tax returns. The Funds are also not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly change in the next twelve months. On an ongoing basis, management monitors its tax positions taken under the interpretation to determine if adjustments to conclusions are necessary based on factors including, but not limited to, on-going analysis of tax law, regulation, and interpretations thereof.

NOTE 3 – INVESTMENTS

Short-Term Investments

The Funds may purchase U.S. Treasury Bills, agency securities, and other high-credit quality short-term fixed income or similar securities with original maturities of one year or less. A portion of these investments may be posted as collateral in connection with swap agreements, futures, and/or forward contracts.

Accounting for Derivative Instruments

In seeking to achieve each Fund's investment objective, the Sponsor uses a mathematical approach to investing. Using this approach, the Sponsor determines the type, quantity and mix of investment positions, including derivative positions, which the Sponsor believes in combination, should produce returns consistent with a Fund's objective.

All open derivative positions at period end are reflected on each respective Fund's Schedule of Investments. Certain Funds utilized a varying level of derivative instruments in conjunction with investment securities in seeking to meet their investment objectives during the period. While the volume of open positions may vary on a daily basis as each Fund transacts derivatives contracts in order to achieve the appropriate exposure to meet its investment objective, the volume of these open positions relative to the net assets of each respective Fund at the date of this report is generally representative of open positions throughout the reporting period.

Following is a description of the derivative instruments used by the Funds during the reporting period, including the primary underlying risk exposures related to each instrument type.

Futures Contracts

The Funds may enter into futures contracts to gain exposure to changes in the value of, or as a substitute for investing directly in (or shorting), an underlying benchmark. A futures contract obligates the seller to deliver (and the purchaser to accept) the future delivery of a specified quantity and type of asset at a specified time and place. The contractual obligations of a buyer or seller may generally be satisfied by taking or making physical delivery of the underlying commodity, if applicable, or by making an offsetting sale or purchase of an identical futures contract on the same or linked exchange before the designated date of delivery, or by cash settlement at expiration of contract.

Upon entering into a futures contract, each Fund is required to deposit and maintain as collateral at least such initial margin as required by the exchange on which the transaction is affected. The initial margin is segregated as cash and/or securities balances with brokers for futures contracts, as disclosed in the Statements of Financial Condition, and is restricted as to its use. The Funds that enter into futures contracts maintain collateral at the broker in the form of cash and/or securities. Pursuant to the futures contract, each Fund generally agrees to receive from or pay to the broker(s) an amount of cash equal to the daily fluctuation in value of the futures contract. Such receipts or payments are known as variation margin and are recorded by each Fund as unrealized gains or losses. Each Fund will realize a gain or loss upon closing of a futures transaction.

Futures contracts involve, to varying degrees, elements of market risk (specifically exchange rate sensitivity, commodity price risk or equity market volatility risk) and exposure to loss in excess of the amount of variation margin. The face or contract amounts reflect the extent of the total exposure each Fund has in the particular classes of instruments. Additional risks associated with the use of futures contracts are imperfect correlation between movements in the price of the futures contracts and the market value of the underlying Index or commodity and the possibility of an illiquid market for a futures contract. With futures contracts, there is minimal but some counterparty risk to the Funds since futures contracts are exchange-traded and the credit risk resides with the Funds' clearing broker or clearinghouse itself. Many futures exchanges and boards of trade limit the amount of fluctuation permitted in futures contract prices during a single trading day. Once the daily limit has been reached in a particular contract, no trades may be made that day at a price beyond that limit or trading may be suspended for specified times during the trading day. Futures contracts prices could move to the limit for several consecutive trading days with little or no trading, thereby preventing prompt liquidation of futures positions and potentially subjecting a Fund to substantial losses. If trading is not possible, or if a Fund determines not to close a futures position in anticipation of adverse price movements, the Fund will be required to make daily cash payments of variation margin. The risk the Fund will be unable to close out a futures position will be minimized by entering into such transactions on a national exchange with an active and liquid secondary market.

Option Contracts

An option is a contract that gives the buyer the right, but not the obligation, to buy or sell a specified quantity of a commodity or other instrument at a specific (or strike) price within a specified period of time, regardless of the market price of that instrument. There are two types of options: calls and puts. A call option conveys to the option buyer the right to purchase a particular futures contract at a stated price at any time during the life of the option. A put option conveys to the option buyer the right to sell a particular futures contract at a stated price at any time during the life of the option. Options written by a Fund may be wholly or partially covered (meaning that the Fund holds an offsetting position) or uncovered. In the case of the purchase of an option, the risk of loss of an investor's entire investment (i.e., the premium paid plus transaction charges) reflects the nature of an option as a wasting asset that may become worthless when the option expires. Where an option is written or granted (i.e., sold) uncovered, the seller may be liable to pay substantial additional margin, and the risk of loss is unlimited, as the seller will be obligated to deliver, or take delivery of, an asset at a predetermined price which may, upon exercise of the option, be significantly different from the market value.

When a Fund writes a call or put, an amount equal to the premium received is recorded and subsequently marked to market to reflect the current value of the option written. Premiums received from writing options which expire are treated as realized gains. Premiums received from writing options which are exercised or closed are added to the proceeds or offset against amounts paid on the underlying futures, swap or security transaction to determine the realized gain (loss).

When a Fund purchases an option, the Fund pays a premium which is included as an asset on the Statement of Financial Condition and subsequently marked to market to reflect the current value of the option. Premiums paid for purchasing options which expire are treated as realized losses. The risk associated with purchasing put and call options is limited to the premium paid. Premiums paid for purchasing options which are exercised or closed are added to the amounts paid or offset against the proceeds on the underlying investment transaction to determine the realized gain (loss) when the underlying transaction is executed.

Certain options transactions may subject the writer (seller) to unlimited risk of loss in the event of an increase in the price of the contract to be purchased or delivered. The value of a Fund's options transactions, if any, will be affected by, among other things, changes in the value of a Fund's underlying benchmark relative to the strike price, changes in interest rates, changes in the actual and implied volatility of the Fund's underlying benchmark, and the remaining time until the options expire, or any combination thereof. The value of the options should not be expected to increase or decrease at the same rate as the level of the Fund's underlying benchmark, which may contribute to tracking error. Options may be less liquid than certain other securities. A Fund's ability to trade options will be dependent on the willingness of counterparties to trade such options with the Fund. In a less liquid market for options, a Fund may have difficulty closing out certain option positions at desired times and prices. A Fund may experience substantial downside from specific option positions and certain option positions may expire worthless. Over-the-counter options generally are not assignable except by agreement between the parties concerned, and no party or purchaser has any obligation to permit such assignments. The over-the-counter market for options is relatively illiquid, particularly for relatively small transactions. The use of options transactions exposes a Fund to liquidity risk and counterparty credit risk, and in certain circumstances may expose the Fund to unlimited risk of loss. The Funds may buy and sell options on futures contracts, which may present even greater volatility and risk of loss.

The following table indicates the average volume when in use for the year ended December 31, 2024:

	-1x Short VIX Futures ETF	2x Long VIX Futures ETF
Average notional value of purchased options contracts:	$ 40,945,769	$ -

The following table indicates the average volume when in use for the year ended December 31, 2023:

	-1x Short VIX Futures ETF	2x Long VIX Futures ETF
Average notional value of purchased options contracts	$ 33,997,000	$ -

There were no transactions in purchased option contracts during the period ended December 31, 2022.

Swap Agreements

The Funds may enter into swap agreements for purposes of pursuing their investment objectives or as a substitute for investing directly in (or shorting) an underlying Index or to create an economic hedge against a position. Swap agreements are two-party contracts that have traditionally been entered into primarily with institutional investors in over-the-counter ("OTC") markets for a specified period, ranging from a day to more than one year. However, the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") provides for significant reforms of the OTC derivative markets, including a requirement to execute certain swap transactions on a CFTC-regulated market and/or to clear such transactions through a CFTC-regulated central clearing organization. In a standard swap transaction, two parties agree to exchange the returns earned or realized on a particular predetermined investment, instrument or Index in exchange for a fixed or floating rate of return in respect of a predetermined notional amount. Transaction or commission costs are reflected in the benchmark level at which the transaction is entered into. The gross returns to be exchanged are calculated with respect to a notional amount and the benchmark returns to which the swap is linked. Swap agreements do not involve the delivery of underlying instruments.

Generally, swap agreements entered into by the Funds calculate and settle the obligations of the parties to the agreement on a “net basis” with a single payment. Consequently, each Fund’s current obligations (or rights) under a swap agreement will generally be equal only to the net amount to be paid or received under the agreement based on the relative values of such obligations (or rights) (the “net amount”). In a typical swap agreement entered into by UVIX, the would be entitled to settlement payments in the event the level of the benchmark increases and would be required to make payments to the swap counterparties in the event the level of the benchmark decreases, adjusted for any transaction costs or trading spreads on the notional amount the Funds may pay. In a typical swap agreement entered into by SVIX, the Fund would be required to make payments to the swap counterparties in the event the level of the benchmark increases and would be entitled to settlement payments in the event the level of the benchmark decreases, adjusted for any transaction costs or trading spreads on the notional amount the Funds may pay.

The net amount of the excess, if any, of each Fund’s obligations over its entitlements with respect to each OTC swap agreement is accrued on a daily basis and an amount of cash and/or securities having an aggregate value at least equal to such accrued excess is maintained for the benefit of the counterparty in a segregated account by the Funds’ Custodian. The net amount of the excess, if any, of each Fund’s entitlements over its obligations with respect to each OTC swap agreement is accrued on a daily basis and an amount of cash and/or securities having an aggregate value at least equal to such accrued excess is maintained for the benefit of the Fund in a segregated account by a third party custodian. Until a swap agreement is settled in cash, the gain or loss on the notional amount less any transaction costs or trading spreads payable by each Fund on the notional amount are recorded as “unrealized appreciation or depreciation on swap agreements” and, when cash is exchanged, the gain or loss realized is recorded as “realized gains or losses on swap agreements.” Swap agreements are generally valued at the last settled price of the benchmark referenced asset.

Swap agreements contain various conditions, events of default, termination events, covenants and representations. The triggering of certain events or the default on certain terms of the agreement could allow a party to terminate a transaction under the agreement and request immediate payment in an amount equal to the net positions owed to the party under the agreement. This could cause a Fund to have to enter into a new transaction with the same counterparty, enter into a transaction with a different counterparty or seek to achieve its investment objective through any number of different investments or investment techniques.

Swap agreements involve, to varying degrees, elements of market risk and exposure to loss in excess of the unrealized gain/loss reflected. The notional amounts reflect the extent of the total investment exposure each Fund has under the swap agreement, which may exceed the NAV of each Fund. Additional risks associated with the use of swap agreements are imperfect correlations between movements in the notional amount and the price of the underlying reference Index and the inability of counterparties to perform. Each Fund bears the risk of loss of the amount expected to be received under a swap agreement in the event of the default or bankruptcy of a swap agreement counterparty. A Fund will typically enter into swap agreements only with major global financial institutions. The creditworthiness of each of the firms that is a party to a swap agreement is monitored by the Sponsor. The Sponsor may use various techniques to minimize credit risk including early termination and payment, using different counterparties, limiting the net amount due from any individual counterparty and generally requiring collateral to be posted by the counterparty in an amount approximately equal to that owed to the Funds. Outstanding swap agreements contractually terminate within one month but may be terminated without penalty by either party at any time. Upon termination, the Fund is obligated to pay or receive the “unrealized appreciation or depreciation” amount.

The Funds, as applicable, collateralize swap agreements by segregating or designating cash and/or certain securities as indicated on the Statements of Financial Condition or Schedules of Investments. As noted above, collateral posted in connection with OTC derivative transactions is held for the benefit of the counterparty in a segregated tri-party account at the Custodian to protect the counterparty against non-payment by the Funds. The collateral held in this account is restricted as to its use. In the event of a default by the counterparty, the Funds will seek withdrawal of this collateral from the segregated account and may incur certain costs in exercising its right with respect to the collateral. If a counterparty becomes bankrupt or otherwise fails to perform its obligations due to financial difficulties, the Funds may experience significant delays in obtaining any recovery in a bankruptcy or other reorganizational proceeding. The Funds may obtain only limited recovery or may obtain no recovery in such circumstances.

The Funds remain subject to credit risk with respect to the amount they expect to receive from counterparties. However, the Funds have sought to mitigate these risks in connection with OTC swaps by generally requiring that the counterparties for each Fund agree to post collateral for the benefit of the Fund, marked to market daily, in an amount approximately equal to what the counterparty owes the Fund, subject to certain minimum thresholds. In the event of a bankruptcy of a counterparty, such Fund will have direct access to the collateral received from the counterparty, generally as of the day prior to the bankruptcy, because there is a one day time lag between the Fund's request for collateral and the delivery of such collateral. To the extent any such collateral is insufficient, the Funds will be exposed to counterparty risk as described above, including the possible delays in recovering amounts as a result of bankruptcy proceedings.

The counterparty/credit risk for cleared derivative transactions is generally lower than for OTC derivatives since generally a clearing organization becomes substituted for each counterparty to a cleared derivative contract and, in effect, guarantees the parties' performance under the contract as each party to a trade looks only to the clearing organization for performance of financial obligations. In addition, cleared derivative transactions benefit from daily marking- to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries.

Statements of Assets and Liabilities

Fair values of derivative instruments as of December 31, 2024:

-1x Short VIX Futures ETF	**Statements of Assets and Liabilities Location**	**Fair Value Assets**	**Fair Value Liabilities**
Purchased Option Contracts:			
Index	Investments, at value	$ 1,484,000	$ -
Short Futures Contracts:			
Index	Unrealized Depreciation*	-	(5,346,909)
Total fair values of derivative instruments		$ 1,484,000	$ (5,346,909)

2x Long VIX Futures ETF		**Assets**	**Liabilities**
Long Futures Contracts:			
Index	Unrealized Appreciation/(Depreciation)*	$ 9,252,011	$ (984,305)
Total fair values of derivative instruments		$ 9,252,011	$ (984,305)

* Includes cumulative appreciation (depreciation) of futures contracts as reported in the Schedule of Future Contracts. Only current day's variation margin is reported within the Statements of Financial Condition in receivable/payable on open futures.

Statements of Operations

The effect of derivative instruments on the Statement of Operations for the year ended December 31, 2024:

-1x Short VIX Futures ETF	**Net Realized Gain (Loss) on Derivatives**		
Derivatives	**Purchased Option Contracts***	**Short Futures Contracts**	**Total**
Index Contracts	$ (8,015,082)	$ 24,472,687	$ 16,457,605
Total	$ (8,015,082)	$ 24,472,687	$ 16,457,605

2x Long VIX Futures ETF			
Derivatives	**Purchased Option Contracts***	**Long Futures Contracts**	**Total**
Index Contracts	$ -	$ (47,624,517)	$ (47,624,517)
Total	$ -	$ (47,624,517)	$ (47,624,517)

Net Change in Unrealized Appreciation

-1x Short VIX Futures ETF	(Depreciation) on Derivatives		
Derivatives	**Purchased Option Contracts****	**Short Futures Contracts**	**Total**
Index Contracts	$ 943,956	$ (11,995,820)	(11,051,864)
Total	$ 943,956	$ (11,995,820)	(11,051,864)

2x Long VIX Futures ETF			
Derivatives	**Purchased Option Contracts****	**Long Futures Contracts**	**Total**
Index Contracts	$ -	$ 16,445,324	$ 16,445,324
Total	$ -	$ 16,445,324	$ 16,445,324

* The amounts disclosed are included in the realized gain (loss) on investments.

** The amounts disclosed are included in the change in unrealized appreciation (depreciation) on investments.

Statements of Assets and Liabilities

Fair values of derivative instruments as of December 31, 2023:

-1x Short VIX Futures ETF	Statements of Assets and Liabilities Location	Fair Value Assets	Fair Value Liabilities
Purchased Option Contracts:			
Index	Investments, at value	$ 360,000	$ -
Short Futures Contracts:			
Index	Unrealized Appreciation*	7,980,684	-
Total fair values of derivative instruments		$ 8,340,684	$ -

2x Long VIX Futures ETF		Assets	Liabilities
Long Futures Contracts:			
Index	Unrealized Depreciation*	$ -	$ (8,177,618)
Total fair values of derivative instruments		$ -	$ (8,177,618)

* Includes cumulative appreciation (depreciation) of futures contracts as reported in the Schedule of Investments. Only current day's variation margin is reported within the Statements of Financial Condition in receivable/payable on open futures.

Statements of Operations

The effect of derivative instruments on the Statement of Operations for the year ended December 31, 2023:

-1x Short VIX Futures ETF	Net Realized Gain (Loss) on Derivatives		
Derivatives	**Purchased Option Contracts***	**Short Futures Contracts**	**Total**
Index Contracts	$ (742,711)	$ 99,437,238	$ 98,694,527
Total	$ (742,711)	$ 99,437,238	$ 98,694,527

2x Long VIX Futures ETF	Purchased Option	Long Futures

Derivatives	Contracts*	Contracts	Total
Index Contracts	$ -	$ (276,774,495)	$ (276,774,495)
Total	$ -	$ (276,774,495)	$ (276,774,495)

-1x Short VIX Futures ETF	**Net Change in Unrealized Appreciation (Depreciation) on Derivatives**		
Derivatives	**Purchased Option Contracts****	**Short Futures Contracts**	**Total**
Index Contracts	$ (811,333)	6,824,578	$ 6,013,245
Total	$ (811,333)	6,824,578	$ 6,013,245

2x Long VIX Futures ETF **Derivatives**	**Purchased Option Contracts****	**Long Futures Contracts**	**Total**
Index Contracts	$ -	$ 1,025,904	$ 1,025,904
Total	$ -	$ 1,025,904	$ 1,025,904

* The amounts disclosed are included in the realized gain (loss) on investments.

** The amounts disclosed are included in the change in unrealized appreciation (depreciation) on investments.

The following table indicates the average volume when in use for the year ended December 31, 2024:

	-1x Short VIX Futures ETF	2x Long VIX Futures ETF
Average notional value of long futures contracts:	$ -	$ 233,976,048
Average notional value of short futures contracts:	(204,171,960)	-

The following table indicates the average volume when in use for the year ended December 31, 2023:

	-1x Short VIX Futures ETF	2x Long VIX Futures ETF
Average notional value of long futures contracts	$ -	$ 190,330,622
Average notional value of short futures contracts	(85,223,472)	-

Offsetting Assets and Liabilities

Each Fund is subject to master netting agreements or similar arrangements that allow for amounts owed between each Fund and the counterparty to be netted upon an early termination. The party that has the larger payable pays the excess of the larger amount over the smaller amount to the other party. The master netting agreements or similar arrangements do not apply to amounts owed to/from different counterparties. As described above, the Funds utilize derivative instruments to achieve their investment objective during the year. The amounts shown in the Statements of Financial Condition do not take into consideration the effects of legally enforceable master netting agreements or similar arrangements.

For financial reporting purposes, the Funds do not offset derivative assets and derivative liabilities that are subject to netting arrangements in the Statements of Financial Condition. The following table presents each Fund's derivatives by investment type and by counterparty net of amounts available for offset under a master netting agreement and the related collateral received or pledged by the Funds as of December 31, 2024 and December 31, 2023.

Fair Values of Derivative Instruments as of December 31, 2024

Fund	Assets: Gross Amounts of Recognized Assets presented in the Statements of Financial Condition	Assets: Gross Amounts Offset in the Statements of Financial Condition	Assets: Net Amounts of Assets presented in the Statements of Financial Condition	Liabilities: Gross Amounts of Recognized Liabilities presented in the Statements of Financial Condition	Liabilities: Gross Amounts Offset in the Statements of Financial Condition	Liabilities: Net Amounts of Liabilities presented in the Statements of Financial Condition
-1x Short VIX Futures ETF	$ -	$ -	$ -	$ 3,655,035	$ -	$ 3,655,035
2x Long VIX Futures ETF	4,152,478	-	4,152,478	-	-	-

Fair Values of Derivative Instruments as of December 31, 2023

Fund	Assets: Gross Amounts of Recognized Assets presented in the Statements of Financial Condition	Assets: Gross Amounts Offset in the Statements of Financial Condition	Assets: Net Amounts of Assets presented in the Statements of Financial Condition	Liabilities: Gross Amounts of Recognized Liabilities presented in the Statements of Financial Condition	Liabilities: Gross Amounts Offset in the Statements of Financial Condition	Liabilities: Net Amounts of Liabilities presented in the Statements of Financial Condition
-1x Short VIX Futures ETF	$ -	$ -	$ -	$ 204,703	$ -	$ 204,703
2x Long VIX Futures ETF	148,593	-	148,593	-	-	-

Asset (Liability) amounts shown in the table below represent amounts owed to (by) the Funds for the derivative-related investments at December 31, 2023 and December 31, 2024. These amounts may be collateralized by cash or financial instruments, segregated for the benefit of the Funds or the counterparties, depending on whether the related contracts are in an appreciated or depreciated position at period end. Amounts shown in the column labeled “Net Amount” represent the uncollateralized portions of these amounts at period end. These amounts may be un-collateralized due to timing differences related to market movements or due to minimum thresholds for collateral movement, as further described above under the caption “Accounting for Derivative Instruments”.

Gross Amounts Not Offset in the Statements of Financial Condition as of December 31, 2024

Fund	Amounts of Recognized Assets / (Liabilities) presented in the Statements of Financial Condition	Financial Instruments for the Benefit of (the Funds) / the Counterparties	Cash Collateral for the Benefit of (the Funds) / the Counterparties	Net Amount
-1x Short VIX Futures ETF	$ (3,655,035)	$ -	$ -	$ (3,655,035)
2x Long VIX Futures ETF	4,152,478	-	-	4,152,478

Gross Amounts Not Offset in the Statements of Financial Condition as of December 31, 2023

	Amounts of Recognized Assets / (Liabilities) presented	Financial Instruments for the Benefit	Cash Collateral for

Fund	in the Statements of Financial Condition	of (the Funds) / the Counterparties	the Benefit of (the Funds) / the Counterparties	Net Amount
-1x Short VIX Futures ETF	$ (204,703)	$ -	$ -	$ (204,703)
2x Long VIX Futures ETF	148,593	-	-	148,593

NOTE 4 – AGREEMENTS

Management Fee

SVIX pays the Sponsor a management fee (the "Management Fee"), monthly in arrears, in an amount equal to **1.35%** per annum of its average daily net assets. UVIX pays the Sponsor a Management Fee, monthly in arrears, in an amount equal to **1.65%** per annum of its average daily net assets. "Average daily net assets" is calculated by dividing the month-end net assets of each Fund by the number of calendar days in such month.

No other Management Fee is paid by the Funds. The Management Fee is paid in consideration of the Sponsor's trading advisory services and the other services provided to the Fund that the Sponsor pays directly.

Prior to September 16, 2024, Penserra Capital Management LLC ("Penserra") served as the Funds' commodity sub-adviser. During the period in which Penserra served as the commodity sub-adviser, the Sponsor oversaw and paid Penserra an annual sub-advisory fee of 0.20% for its services as commodity sub-adviser, based on each Fund's average daily net assets (total assets of the Fund, minus the sum of its accrued liabilities) The Funds did not directly pay Penserra.

Non-Recurring Fees and Expenses

Each Fund pays all its non-recurring and unusual fees and expenses, if any, as determined by the Sponsor. Non-recurring and unusual fees and expenses are fees and expenses that are unexpected or unusual in nature, such as legal claims and liabilities, litigation costs or indemnification or other material expenses which are not currently anticipated obligations of the Funds.

The Administrator, Transfer Agent and Custodian

U.S. Bancorp Fund Services, LLC, doing business as U.S. Bank Global Fund Services ("Fund Services"), an indirect subsidiary of U.S. Bancorp, serves as the Fund's fund accountant, administrator and transfer agent pursuant to certain fund accounting servicing, fund administration servicing and transfer agent servicing agreements. U.S. Bank National Association, a subsidiary of U.S. Bancorp and parent company of Fund Services, intends to serve as the Fund's custodian pursuant to a custody agreement.

The Marketing Agent

Foreside Fund Services, LLC (the "Marketing Agent") serves as the Marketing Agent of the Funds. Its principal duties are: (i) to work with the Transfer Agent to review and approve orders placed by Authorized Participants and transmitted to the Transfer Agent; (ii) maintain copies of confirmations of Creation Unit creation and redemption order acceptances; (iii) maintain telephonic, facsimile and/or access to direct computer communications links with the Transfer Agent; and (iv) review and approve, prior to use, all Trust marketing materials for compliance with applicable SEC and FINRA advertising rules.

The Marketing Agent retains all marketing materials separately for the Funds, at their offices located at Three Canal Plaza, Suite 100 Portland, Maine 04101.

As compensation for the services it provides, the Marketing Agent receives a fee from the Funds.

NOTE 5 – OFFERING COSTS

Offering costs will be amortized by the Funds over a twelve month period on a straight-line basis beginning once the fund commences operations. The Sponsor will not charge its Management Fee in the first year of operations of a Fund in an amount equal to the offering costs. Normal and expected expenses incurred in connection with the continuous offering of Shares of a Fund after the commencement of its trading operations will be paid by the Sponsor.

NOTE 6 – CREATION AND REDEMPTION OF CREATION UNITS

Each Fund issues and redeems shares from time to time, but only in one or more Creation Units. A Creation Unit is a block of at least 10,000 Shares of a Fund. Creation Units may be created or redeemed only by Authorized Participants.

Except when aggregated in Creation Units, the Shares are not redeemable securities. Retail investors, therefore, generally will not be able to purchase or redeem Shares directly from or with a Fund. Rather, most retail investors will purchase or sell Shares in the secondary market with the assistance of a broker. Thus, some of the information contained in these Notes to Financial Statements—such as references to the Transaction Fees imposed on purchases and redemptions is not relevant to retail investors.

Transaction Fees on Creation and Redemption Transactions

The manner by which Creation Units are purchased or redeemed is governed by the terms of the Authorized Participant Agreement and Authorized Participant Procedures Handbook. By placing a purchase order, an Authorized Participant agrees to: (1) deposit cash with the Custodian; and (2) if permitted by the Sponsor in its sole discretion, enter into or arrange for an exchange of futures contract for related position or block trade with the relevant fund whereby the Authorized Participant would also transfer to such Fund a number and type of exchange-traded futures contracts at or near the closing settlement price for such contracts on the purchase order date.

Authorized Participants may pay a fee up to 0.03% of the value of each order they place with each order to create or redeem a Creation Unit in order to compensate the Administrator, the Custodian and the Transfer Agent of each Fund and its Shares, for services in processing the creation and redemption of Creation Units and to offset the costs of increasing or decreasing derivative positions, unless the transaction fee is waived or otherwise adjusted by the Sponsor. The Sponsor provides such Authorized Participant with prompt notice in advance of any such waiver or adjustment of the transaction fee. Authorized Participants may sell the Shares included in the Creation Units they purchase from the Funds to other investors in the secondary market.

Transaction Fees for the year ended December 31, 2024 and the period ended December 31, 2023:

Fund	Year Ended December 31, 2024	Period Ended December 31, 2023
-1x Short VIX Futures ETF	$ 446,439	$ 176,715
2x Long VIX Futures ETF	400,240	215,355
	$ 846,679	**$ 392,070**

NOTE 7 – FINANCIAL HIGHLIGHTS

Selected data is for a Share outstanding throughout the Year Ended December 31, 2024 (Unaudited) and December 31, 2023 (Unaudited)

	-1x Short VIX Futures ETF	2x Long VIX Futures ETF	-1x Short VIX Futures ETF	2x Long VIX Futures ETF
	For the Year Ended December 31, 2024	For the Year Ended December 31, 2024 (6)	For the Year Ended December 31, 2023	For the Year Ended December 31, 2023 (7)
Net Asset Value, Beginning of Period	$ 37.78	$ 137.27	$ 14.63	$ 2,925.15
Net investment income (loss) (1)	0.13	(0.03)	(0.34)	(6.05)
Net Realized and Unrealized Gain (Loss) on Investments and Futures Contracts (2)	(12.52)	(103.31)	23.49	(2,781.83)
Net Increase (Decrease) in Net Asset Value Resulting from Operations	(12.39)	(103.34)	23.15	(2,787.88)
Net Asset Value, End of Period	$ 25.39	$ 33.93	$ 37.78	$ 137.27
Market Value Per Share, at December 31, 2024 and December 31,				

2023(3)	$ 25.37	$ 34.00	$ 37.73	$ 137.30
Total Return at Net Asset Value	**-32.80%**	**-75.28%**	**158.24%**	**-95.31%**
Total Return at Market Value	**-32.76%**	**-75.24%**	**157.37%**	**-95.28%**
Ratios to Average Net Assets: (4)				
Expense ratio (5)	1.69%	2.36%	1.97%	2.18%
Net Investment Loss	0.40%	-0.52%	-1.37%	-1.20%

(1) Net investment loss per share represents net investment loss divided by the daily average shares of beneficial interest outstanding during the period.

(2) Due to timing of capital share transactions, per share amounts may not compare with amounts appearing elsewhere within these Financial Statements.

(3) Market values are determined at the close of the applicable primary listing exchange, which may be later than when the Funds' net asset value is calculated.

(4) Percentages are not annualized for the periods ended December 31, 2024 and December 31, 2023.

(5) The expense ratio would be 1.67% and 2.36% respectively, for the year ended December 31, 2024 and 1.93% and 2.18% for the year ended December 31, 2023 if brokerage commissions and futures and futures account fees were excluded.

(6) Adjusted to reflect a 1:10 reverse stock split occurring on January 15, 2025, as if it occurred at the commencement of operations.

(7) Adjusted to reflect a 1:5 reverse stock split on January 25, 2023, a 1:10 reverse stock split on October 11, 2023, and a 1:10 reverse stock split on January 15, 2025, as if they occurred at the commencement of operations.

See accompanying notes to financial statements.

NOTE 8 – RISK

Correlation and Compounding Risk

The Funds do not seek to achieve their stated investment objective over a period of time greater than a single day (as measured from NAV calculation time to NAV calculation time). The return of a Fund for a period longer than a single day is the result of its return for each day compounded over the period and usually will differ in amount and possibly even direction from the inverse (-1x) or two times (2x) the return of the Fund's benchmark for the period. A Fund will lose money if its benchmark performance is flat over time, and it is possible for a Fund to lose money over time even if the performance of its benchmark increases in the case of UVIX (or decreases in the case of SVIX), as a result of daily rebalancing, the benchmark's volatility, compounding, and other factors. Compounding is the cumulative effect of applying investment gains and losses and income to the principal amount invested over time. Gains or losses experienced over a given period will increase or reduce the principal amount invested from which the subsequent period's returns are calculated. The effects of compounding will likely cause the performance of a Fund to differ from the Fund's stated multiple times the return of its benchmark for the same period. The effect of compounding becomes more pronounced as benchmark volatility and holding period increase. The impact of compounding will impact each shareholder differently depending on the period of time an investment in a Fund is held and the volatility of the benchmark during the holding period of an investment in the Fund. Longer holding periods, higher benchmark volatility, inverse exposure and greater leverage each affect the impact of compounding on a Fund's returns. Daily compounding of a Fund's investment returns can dramatically and adversely affect its longer-term performance during periods of high volatility. Volatility may be at least as important to a Fund's return for a period as the return of the Fund's underlying benchmark.

Each Fund uses leverage and should produce daily returns that are more volatile than that of its benchmark. For example, the daily return of UVIX should be approximately two times as volatile on a daily basis as is the return of a fund with an objective of matching the same benchmark. The daily return of SVIX is designed to return the inverse (-1x) of the return that would be expected of a fund with an objective of matching the same benchmark. ***The Funds are not appropriate for all investors and present significant risks not applicable to other types of funds.*** The Funds use leverage and are riskier than similarly benchmarked exchange-traded funds that do not use leverage. An investor should only consider an investment in a Fund if he or she understands the consequences of seeking daily leveraged or daily inverse investment results.

Shareholders who invest in the Funds should actively manage and monitor their investments, as frequently as daily.

While the Funds seek to meet their investment objectives, there is no guarantee they will do so. Factors that may affect a Fund's ability to meet its investment objective include: (1) the Sponsor's ability to purchase and sell Financial Instruments in a manner that correlates to a Fund's objective; (2) an imperfect correlation between the performance of Financial Instruments held by a Fund and the performance of the applicable benchmark; (3) bid-ask spreads on such Financial Instruments; (4) fees, expenses, transaction costs, financing costs associated with the use of Financial Instruments and commission costs; (5) holding or trading instruments in a market that has become illiquid or disrupted; (6) a Fund's Share prices being rounded to the nearest cent and/or valuation methodology; (7) changes to a benchmark Index that are not disseminated in advance; (8) the need to conform a Fund's portfolio holdings to comply with investment restrictions or policies or regulatory or tax law requirements; (9) early and unanticipated closings of the markets on which the holdings of a Fund trade, resulting in the inability of the Fund to execute intended portfolio transactions; (10) accounting standards; and (11) differences caused by a Fund obtaining exposure to only a representative sample of the components of a benchmark, over weighting or under weighting certain components of a benchmark or obtaining exposure to assets that are not included in a benchmark.

A number of factors may affect a Fund's ability to achieve a high degree of correlation with its benchmark, and there can be no guarantee that a Fund will achieve a high degree of correlation. Failure to achieve a high degree of correlation may prevent a Fund from achieving its investment objective. In order to achieve a high degree of correlation with their underlying benchmarks, the Funds seek to rebalance their portfolios daily to keep exposure consistent with their investment objectives. Being materially under- or over-exposed to the benchmark may prevent such Funds from achieving a high degree of correlation with such benchmark. Market disruptions or closure, large amounts of assets into or out of the Funds, regulatory restrictions, extreme market volatility, and other factors will adversely affect such Funds' ability to adjust exposure to requisite levels. The target amount of portfolio exposure is impacted dynamically by the benchmarks' movements during each day. Other things being equal, more significant movement in the value of its benchmark up or down will require more significant adjustments to a Fund's portfolio. Because of this, it is unlikely that the Funds will be perfectly exposed (i.e., --1x, -2x, as applicable) to its benchmark at the end of each day, and the likelihood of being materially under- or over-exposed is higher on days when the benchmark levels are volatile near the close of the trading day.

Each Fund seeks to rebalance its portfolio on a daily basis. The time and manner in which a Fund rebalances its portfolio may vary from day to day depending upon market conditions and other circumstances at the discretion of the Sponsor. Unlike other funds that do not rebalance their portfolios as frequently, each Fund may be subject to increased trading costs associated with daily portfolio rebalancing in order to maintain appropriate exposure to the underlying benchmarks.

Counterparty Risk

Each Fund may use derivatives such as swap agreements and forward contracts (collectively referred to herein as "derivatives") in the manner described herein as a means to achieve their respective investment objectives. The use of derivatives by a Fund exposes the Fund to counterparty risks.

Regulatory Treatment

Derivatives are generally traded in OTC markets and have only recently become subject to comprehensive regulation in the United States. Cash-settled forwards are generally regulated as "swaps", whereas physically settled forwards are generally not subject to regulation (in the case of commodities other than currencies) or subject to the federal securities laws (in the case of securities). Title VII of the Dodd-Frank Act ("Title VII") created a regulatory regime for derivatives, with the CFTC responsible for the regulation of swaps and the SEC responsible for the regulation of "security-based swaps." The SEC requirements have largely yet to be made effective, but the CFTC requirements are largely in place. The CFTC requirements have included rules for some of the types of transactions in which the Funds will engage, including mandatory clearing and exchange trading, reporting, and margin for OTC swaps. Title VII also created new categories of regulated market participants, such as "swap dealers," "security-based swap dealers," "major swap participants," and "major security-based swap participants" who are, or will be, subject to significant new capital, registration, recordkeeping, reporting, disclosure, business conduct and other regulatory requirements. The regulatory requirements under Title VII continue to be developed and there may be further modifications that could materially and adversely impact the Funds, the markets in which a Fund trades and the counterparties with which the Fund engages in transactions.

As noted, the CFTC rules may not apply to all of the swap agreements and forward contracts entered into by the Funds. Investors, therefore, may not receive the protection of CFTC regulation or the statutory scheme of the Commodity Exchange Act (the "CEA") in connection with each Fund's swap agreements or forward contracts. The lack of regulation in these markets could expose investors to significant losses under certain circumstances, including in the event of trading abuses or financial failure by participants.

Counterparty Credit Risk

The Funds will be subject to the credit risk of the counterparties to the derivatives. In the case of cleared derivatives, the Funds will have credit risk to the clearing corporation in a similar manner as the Funds would for futures contracts. In the case of OTC derivatives, the Funds will be subject to the credit risk of the counterparty to the transaction – typically a single bank or financial institution. As a result, a Fund is subject to increased credit risk with respect to the amount it expects to receive from counterparties to OTC derivatives entered into as part of that Fund's principal investment strategy. If a counterparty becomes bankrupt or otherwise fails to perform its obligations due to financial difficulties, a Fund could suffer significant losses on these contracts and the value of an investor's investment in a Fund may decline.

The Funds have sought to mitigate these risks by generally requiring that the counterparties for each Fund agree to post collateral for the benefit of the Fund, marked to market daily, subject to certain minimum thresholds. However, there are no limitations on the percentage of assets each Fund may invest in swap agreements or forward contracts with a particular counterparty. To the extent any such collateral is insufficient or there are delays in accessing the collateral, the Funds will be exposed to counterparty risk as described above, including possible delays in recovering amounts as a result of bankruptcy proceedings. The Funds typically enter into transactions only with major global financial institutions.

OTC derivatives of the type that may be utilized by the Funds are generally less liquid than futures contracts because they are not traded on an exchange, do not have uniform terms and conditions, and are generally entered into based upon the creditworthiness of the parties and the availability of credit support, such as collateral, and in general, are not transferable without the consent of the counterparty. These agreements contain various conditions, events of default, termination events, covenants and representations. The triggering of certain events or the default on certain terms of the agreement could allow a party to terminate a transaction under the agreement and request immediate payment in an amount equal to the net positions owed to the party under the agreement. For example, if the level of the Fund's benchmark has a dramatic intraday move that would cause a material decline in the Fund's NAV, the terms of the swap may permit the counterparty to immediately close out the transaction with the Fund. In that event, it may not be possible for the Fund to enter into another swap or to invest in other Financial Instruments necessary to achieve the desired exposure consistent with the Fund's objective. This, in turn, may prevent the Fund from achieving its investment objective, particularly if the level of the Fund's benchmark reverses all or part of its intraday move by the end of the day.

In addition, cleared derivatives benefit from daily marking-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries. To the extent the Fund enters into cleared swap transactions, the Fund will deposit collateral with a FCM in cleared swaps customer accounts, which are required by CFTC regulations to be separate from its proprietary collateral posted for cleared swaps transactions. Cleared swap customer collateral is subject to regulations that closely parallel the regulations governing customer segregated funds for futures transactions but provide certain additional protections to cleared swaps collateral in the event of a clearing broker or clearing broker customer default. For example, in the event of a default of both the clearing broker and a customer of the clearing broker, a clearing house is only permitted to access the cleared swaps collateral in the legally separate (but operationally comingled) account of the defaulting cleared swap customer of the clearing broker, as opposed to the treatment of customer segregated funds, under which the clearing house may access all of the commingled customer segregated funds of a defaulting clearing broker. Derivatives entered into directly between two counterparties do not necessarily benefit from such protections, particularly if entered into with an entity that is not registered as a "swap dealer" with the CFTC. This exposes the Funds to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the Funds to suffer a loss.

The Sponsor regularly reviews the performance of its counterparties for, among other things, creditworthiness and execution quality. In addition, the Sponsor periodically considers the addition of new counterparties and the counterparties used by a Fund may change at any time. Each day, the Funds disclose their portfolio holdings as of the prior Business Day. Each Fund's portfolio holdings identifies its counterparties, as applicable. This portfolio holdings information may be accessed through the web on the Sponsor's website at www.volatilityshares.com.

Each counterparty and/or any of its affiliates may be an Authorized Participant or shareholder of a Fund, subject to applicable law.

The counterparty risk for cleared derivatives transactions is generally lower than for OTC derivatives. Once a transaction is cleared, the clearing organization is substituted and is a Fund's counterparty on the derivative. The clearing organization guarantees the performance of the other side of the derivative. Nevertheless, some risk remains, as there is no assurance that the clearing organization, or its members, will satisfy its obligations to a Fund.

Leverage Risk

The Funds may utilize leverage in seeking to achieve their respective investment objectives and will lose more money in market environments adverse to their respective daily investment objectives than funds that do not employ leverage. The use of leveraged and/or inverse leveraged positions increases the risk of total loss of an investor's investment, even over periods as short as a single day.

For example, because UVIX includes a two times (2x) multiplier, a single-day movement in the relevant benchmark approaching 50% at any point in the day could result in the total loss or almost total loss of an investor's investment if that movement is contrary to the investment objective of the Fund in which an investor has invested, even if such Fund's benchmark subsequently moves in an opposite direction, eliminating all or a portion of the movement. This would be the case with downward single-day or intraday movements in the underlying benchmark of a Fund or upward single-day or intraday movements in the benchmark of a Fund, even if the underlying benchmark maintains a level greater than zero at all times.

Liquidity Risk

Financial Instruments cannot always be liquidated at the desired price. It is difficult to execute a trade at a specific price when there is a relatively small volume of buy and sell orders in a market. A market disruption can also make it difficult to liquidate a position or find a swap or forward contract counterparty at a reasonable cost. Market illiquidity may cause losses for the Funds. The large size of the positions which the Funds may acquire increases the risk of illiquidity by both making their positions more difficult to liquidate and increasing the losses incurred while trying to do so. Any type of disruption or illiquidity will potentially be exacerbated due to the fact that the Funds will typically invest in Financial Instruments related to one benchmark, which in many cases is highly concentrated.

"Contango" and "Backwardation" Risk

The Funds typically hold futures contracts. As the futures contracts near expiration, they are generally replaced by contracts that have a later expiration. Thus, for example, a contract purchased and held in November 2019 may specify a January 2020 expiration. As that contract nears expiration, it may be replaced by selling the January 2020 contract and purchasing the contract expiring in March 2020. This process is referred to as "rolling." Rolling may have a positive or negative impact on performance. For example, historically, the prices of certain types of futures contracts have frequently been higher for contracts with shorter-term expirations than for contracts with longer-term expirations, which is referred to as "backwardation." In these circumstances, absent other factors, the sale of the January 2020 contract would take place at a price that is higher than the price at which the March 2020 contract is purchased, thereby creating a gain in connection with rolling. While certain types of futures contracts have historically exhibited consistent periods of backwardation, backwardation will likely not exist in these markets at all times.

Since the introduction of VIX futures contracts, there have frequently been periods where VIX futures prices reflect higher expected volatility levels further out in time. This can result in a loss from "rolling" the VIX futures to maintain the constant weighted average maturity of the applicable Fund benchmark. Losses from exchanging a lower priced VIX future for a higher priced longer-term future in the rolling process could adversely affect the value of a Fund and, accordingly, decrease the return of a Fund.

Natural Disaster/Epidemic Risk

Natural or environmental disasters, such as earthquakes, fires, floods, hurricanes, tsunamis and other severe weather-related phenomena generally, and widespread disease, including pandemics and epidemics (for example, the novel coronavirus COVID-19), have been and can be highly disruptive to economies and markets and have recently led, and may continue to lead, to increased market volatility and significant market losses. Such natural disaster and health crises could exacerbate political, social, and economic risks previously mentioned, and result in significant breakdowns, delays, shutdowns, social isolation, and other disruptions to important global, local and regional supply chains affected, with potential corresponding results on the operating performance of the Funds and their investments. A climate of uncertainty and panic, including the contagion of infectious viruses or diseases, may adversely affect global, regional, and local economies and reduce the availability of potential investment opportunities, and increases the difficulty of performing due diligence and modeling market conditions, potentially reducing the accuracy of financial projections. Under these circumstances, the Funds may have difficulty achieving their investment objectives which may adversely impact performance. Further, such events can be highly disruptive to economies and markets, significantly disrupt the operations of individual companies (including, but not limited to, the Funds' Sponsor and third party service providers), sectors, industries, markets, securities and commodity exchanges, currencies, interest and inflation rates, credit ratings, investor sentiment, and other factors affecting the value of the Funds' investments. These factors can cause substantial market volatility, exchange trading suspensions and closures and can impact the ability of the Funds to complete redemptions and otherwise affect Fund performance and Fund trading in the secondary market. A widespread crisis may also affect the global economy in ways that cannot necessarily be foreseen at the current time. How long such events will last and whether they will continue or recur cannot be predicted. Impacts from these events could have significant impact on a Fund's performance, resulting in losses to your investment.

Risk that Current Assumptions and Expectations Could Become Outdated As a Result of Global Economic Shocks

The onset of the novel coronavirus (COVID-19) has caused significant shocks to global financial markets and economies, with many governments taking extreme actions to slow and contain the spread of COVID-19. These actions have had, and likely will continue to have, a severe economic impact on global economies as economic activity in some instances has essentially ceased. Financial markets across the globe are experiencing severe distress at least equal to what was experienced during the global financial crisis in 2008. In March 2020, U.S. equity markets entered a bear market in the fastest such move in the history of U.S. financial markets. Contemporaneous with the onset of the COVID-19 pandemic in the US, oil experienced shocks to supply and demand, impacting the price and volatility of oil. The global economic shocks being experienced as of the date hereof may cause the underlying assumptions and expectations of the Funds to become outdated quickly or inaccurate, resulting in significant losses.

NOTE 9 – SUBSEQUENT EVENTS

In preparing these financial statements, management has evaluated Fund related events and transactions for potential recognition or disclosure through the date the financial statements were issued. There were no other events or translations that occurred during the year that materially impacted the amounts or disclosures in the Funds' financial statements.