



Premise Capital

Annual Report
September 30, 2019

Premise Capital Diversified Tactical ETF
Ticker: TCTL

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

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

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

Premise Capital Diversified Tactical ETF

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Premise Capital Diversified Tactical ETF

LETTER TO SHAREHOLDERS

September 30, 2019 (Unaudited)

Dear Shareholder,

The Premise Capital team is pleased to provide you with the Premise Capital Diversified Tactical ETF (“TCTL” or the “Fund”) annual report, dated September 30th, 2019. TCTL launched on October 27, 2016. This report refers to TCTL’s performance for the period from October 1st, 2018 through September 30th, 2019 (the “current fiscal period”).

TCTL’s performance for the current fiscal period was 1.14% measured in the market price of TCTL and 1.14% measured in net asset value (“NAV”). By comparison, TCTL’s benchmark, the Dow Jones Moderate Portfolio Index (“DJ Moderate”), returned 3.85% for the current fiscal period. The performance of the Premise Capital Frontier Advantage Diversified Tactical Index (the “Index”) was 1.30% over the current fiscal period.

This performance period was generally marked by growth of domestic equity and fixed income while international equities were mixed. TCTL experienced broad-based growth in its exposure to the domestic fixed income markets (HYLB, AGG, TLT, TIP), and its domestic large cap equity and real estate holdings (SPY, SCHH) also experienced substantial growth. The portfolio’s performance was hampered by its exposure to non-US equities (IEMG and GWX) throughout the current fiscal period. As dictated by the Fund’s Index, TCTL lowered its exposure to small cap equities and non-US equities throughout the performance period which resulted in the Fund holding its overall equity exposure below its high equity target. With the Fund slightly below its high equity target the anticipated risk to the performance of the Fund and its Index are centered around geopolitical risks and slower global economic growth.

The Premise Capital team is honored to continue serving your investment objectives and thanks you for your continued trust in TCTL.

Britton Reynolds,
Portfolio Manager

Premise Capital Diversified Tactical ETF

LETTER TO SHAREHOLDERS

September 30, 2019 (Unaudited) (Continued)

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

Must be preceded or accompanied by a current prospectus.

Past performance is no guarantee of future results.

Premise Capital Frontier Advantage Diversified Tactical Index: The Index consists of an investible portfolio of ETFs ("Underlying ETFs") with exposure to major U.S. and non-U.S. asset classes. The weighting of each Underlying ETF is adjusted to (i) reduce exposure to individual asset classes determined to be in a downward trend (the "Trend Adjustment") and (ii) reduce overall exposure to equity asset classes (and increase exposure to fixed income asset classes) as the aggregate size of equity asset classes determined to be in a downward trend grows (the "Risk Adjustment").

Investing involves risk, including the possible loss of principal. Shares of any ETF are bought and sold at market price (not NAV), may trade at a discount or premium to NAV and are not individually redeemed from the Fund. Brokerage commissions will reduce returns. Investments in the Fund include risks associated with small- and mid-cap securities, foreign and emerging market securities, fixed income and high yield securities, REIT securities, ETF investment risk, model risk and tracking error. Please refer to the prospectus for additional information about the risks of investing in the Fund.

Dow Jones Moderate Portfolio Index: The Dow Jones Moderate Portfolio Index is a member of the Relative Risk Index Series and designed to measure a total portfolio of stocks, bonds, and cash, allocated to represent an investor's desired risk profile. The Dow Jones Moderate Portfolio Index risk level is set to 60% of the Dow Jones Global Stock CMAI Index's downside risk (past 36 months).

Fund holdings are subject to change and are not a recommendation to buy or sell any security. For a complete listing of the Fund's holdings please view the Schedule of Investments on page 5.

Premise Capital Diversified Tactical ETF is distributed by Quasar Distributors, LLC. Premise Capital, LLC is the index provider of the Fund.

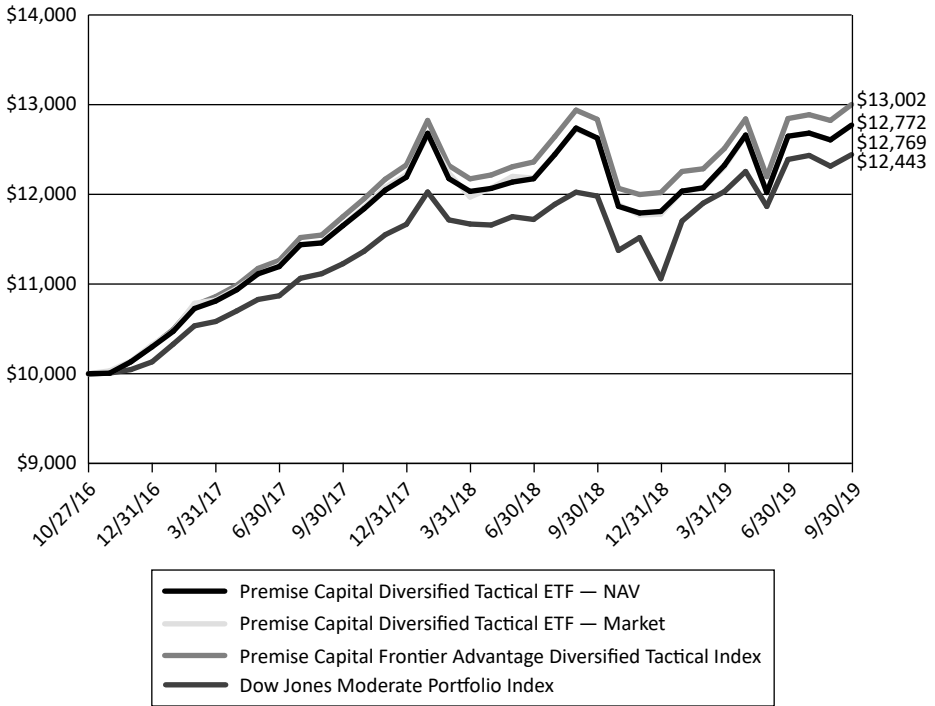
One may not directly invest in an index.

Premise Capital Diversified Tactical ETF

PERFORMANCE SUMMARY

(Unaudited)

Growth of \$10,000



Average Annualized Returns	1 Year	Since Inception (10/27/2016)
Premise Capital Diversified Tactical ETF — NAV	1.14%	8.72%
Premise Capital Diversified Tactical ETF — Market	1.14%	8.71%
Premise Capital Frontier Advantage Diversified Tactical Index ...	1.30%	9.39%
Dow Jones Moderate Portfolio Index	3.85%	7.76%

This chart illustrates the performance of a hypothetical \$10,000 investment made on October 27, 2016 and is not intended to imply any future performance. The returns shown do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. The chart assumes reinvestment of capital gains and dividends.

Premise Capital Diversified Tactical ETF

PORTFOLIO ALLOCATION

As of September 30, 2019 (Unaudited)

Asset Type	Percentage of Net Assets
U.S. Equity	54.6%
International Equity	26.6
U.S. Treasury Bonds	6.6
High Yield Bonds	4.7
Emerging Market Equity	2.9
U.S. Fixed Income	2.5
Inflation Protected Bonds	1.6
Short-Term Investments	0.5
Liabilities in Excess of Other Assets (a)	<u>0.0</u>
Total	<u>100.0%</u>

(a) Represents less than 0.05% of net assets.

Premise Capital Diversified Tactical ETF

SCHEDULE OF INVESTMENTS

September 30, 2019

Shares	Security Description	Value
	EXCHANGE TRADED FUNDS — 99.5%	
	Emerging Market Equity — 2.9%	
26,818	iShares Core MSCI Emerging Markets ETF	\$ 1,314,618
	High Yield Bonds — 4.7%	
42,059	Xtrackers USD High Yield Corporate Bond ETF	2,106,315
	Inflation Protected Bonds — 1.6%	
6,332	iShares TIPS Bond ETF	736,348
	International Equity — 26.6%	
176,547	iShares Core MSCI EAFE ETF	10,781,725
40,353	SPDR S&P International Small Cap ETF	1,185,975
		<u>11,967,700</u>
	U.S. Equity — 54.6%	
8,261	iShares Core S&P Small-Cap ETF	643,036
60,713	Schwab U.S. REIT ETF	2,863,832
68,290	SPDR S&P 500 ETF Trust (a)	20,266,423
2,312	SPDR S&P MidCap 400 ETF Trust	814,911
		<u>24,588,202</u>
	U.S. Fixed Income — 2.5%	
9,830	iShares Core U.S. Aggregate Bond ETF	1,112,461
	U.S. Treasury Bonds — 6.6%	
20,751	iShares 20+ Year Treasury Bond ETF	2,969,053
	TOTAL EXCHANGE TRADED FUNDS (Cost \$42,888,575)	<u>44,794,697</u>
	SHORT-TERM INVESTMENTS — 0.5%	
	Fidelity Investments Money Market Funds -	
205,679	Government Portfolio, Class I, 1.86% (b)	205,679
	TOTAL SHORT-TERM INVESTMENTS (Cost \$205,679)	205,679
	TOTAL INVESTMENTS — 100.0% (Cost \$43,094,254)	45,000,376
	Liabilities in Excess of Other Assets — 0.0% (c)	(2,120)
	NET ASSETS — 100.0%	<u>\$ 44,998,256</u>

Percentages are stated as a percent of net assets.

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

(a) 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.

(b) Rate shown is the annualized seven-day yield as of September 30, 2019.

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

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

Premise Capital Diversified Tactical ETF

STATEMENT OF ASSETS AND LIABILITIES

September 30, 2019

ASSETS

Investments in securities, at value (Cost \$43,094,254)	\$ 45,000,376
Receivable for securities sold	7,328,635
Dividends and interest receivable	<u>101,830</u>
Total assets	<u>52,430,841</u>

LIABILITIES

Payable for securities purchased	7,405,448
Management fees payable	<u>27,137</u>
Total liabilities	<u>7,432,585</u>

NET ASSETS \$ 44,998,256

Net Assets Consist of:

Paid-in capital	\$ 44,063,695
Total distributable earnings (accumulated deficit)	<u>934,561</u>
Net assets	<u>\$ 44,998,256</u>

Net asset value:

Net assets	\$ 44,998,256
Shares outstanding [^]	1,450,000
Net asset value, offering and redemption price per share	\$ 31.03

[^] No par value, unlimited number of shares authorized.

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

Premise Capital Diversified Tactical ETF

STATEMENT OF OPERATIONS

For the Year Ended September 30, 2019

INCOME

Dividends	\$ 894,487
Interest	<u>8,307</u>
Total investment income	<u>902,794</u>

EXPENSES

Management fees	<u>286,705</u>
Total expenses	<u>286,705</u>
Net investment income (loss)	<u>616,089</u>

REALIZED & UNREALIZED GAIN (LOSS) ON INVESTMENTS

Net realized gain (loss) on investments	365,283
Change in unrealized appreciation (depreciation) on investments	<u>(335,293)</u>
Net realized and unrealized gain (loss) on investments	<u>29,990</u>
Net increase (decrease) in net assets resulting from operations	<u>\$ 646,079</u>

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

Premise Capital Diversified Tactical ETF

STATEMENTS OF CHANGES IN NET ASSETS

	Year Ended September 30, 2019	Year Ended September 30, 2018
OPERATIONS		
Net investment income (loss)	\$ 616,089	\$ 380,091
Net realized gain (loss) on investments	365,283	336,530
Change in unrealized appreciation (depreciation) of investments	<u>(335,293)</u>	<u>1,148,065</u>
Net increase (decrease) in net assets resulting from operations	<u>646,079</u>	<u>1,864,686</u>
DISTRIBUTIONS TO SHAREHOLDERS		
Net distributions to shareholders	<u>(297,457)</u>	<u>(261,258)</u>
Total distributions to shareholders	<u>(297,457)</u>	<u>(261,258)</u>
CAPITAL SHARE TRANSACTIONS		
Proceeds from shares sold	32,719,825	25,383,880
Payments for shares redeemed	<u>(23,679,840)</u>	<u>(5,851,825)</u>
Net increase (decrease) in net assets derived from capital share transactions (a)	<u>9,039,985</u>	<u>19,532,055</u>
Net increase (decrease) in net assets	<u>\$ 9,388,607</u>	<u>\$ 21,135,483</u>
NET ASSETS		
Beginning of year	\$ 35,609,649	\$ 14,474,166
End of year	<u>\$ 44,998,256</u>	<u>\$ 35,609,649</u>

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

	Year Ended September 30, 2019	Year Ended September 30, 2018
	<u>Shares</u>	<u>Shares</u>
Subscriptions	1,100,000	850,000
Redemptions	<u>(800,000)</u>	<u>(200,000)</u>
Net increase (decrease)	<u>300,000</u>	<u>650,000</u>

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

Premise Capital Diversified Tactical ETF

FINANCIAL HIGHLIGHTS

For a capital share outstanding throughout the year/period

	Year Ended September 30, 2019	Year Ended September 30, 2018	Period Ended September 30, 2017 ⁽¹⁾
Net Asset value, beginning of year/period	\$ 30.96	\$ 28.95	\$ 25.00
INCOME (LOSS) FROM INVESTMENT OPERATIONS:			
Net investment income (loss) ⁽²⁾⁽⁷⁾	0.48	0.46	0.41
Net realized and unrealized gain (loss) on investments	(0.15) ⁽⁹⁾	1.95	3.70
Total from investment operations	0.33	2.41	4.11
DISTRIBUTIONS TO SHAREHOLDERS:			
Distributions from:			
Net investment income	(0.26)	(0.40)	(0.16)
Total distributions	(0.26)	(0.40)	(0.16)
Net asset value, end of year/period	\$ 31.03	\$ 30.96	\$ 28.95
Total return	1.14%	8.39%	16.50% ⁽³⁾
SUPPLEMENTAL DATA:			
Net assets at end of year/period (000's)	\$ 44,998	\$ 35,610	\$ 14,474
RATIOS TO AVERAGE NET ASSETS:			
Expenses to average net assets ⁽⁴⁾	0.75%	0.77% ⁽⁶⁾	0.85% ⁽⁵⁾
Net investment income (loss) to average net assets ⁽⁷⁾	1.61%	1.52%	1.61% ⁽⁵⁾
Portfolio turnover rate ⁽⁸⁾	313%	195%	69% ⁽³⁾

⁽¹⁾ Commencement of operations on October 27, 2016.

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

⁽³⁾ Not annualized.

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

⁽⁵⁾ Annualized.

⁽⁶⁾ Effective January 31, 2018 the Adviser reduced its management fee from 0.85% to 0.75%. See Note 3 in Notes to Financial Statements.

⁽⁷⁾ Recognition of net investment income by the Fund is affected by the timing of declarations of dividends by the underlying investment companies, in which the Fund invests. The ratio does not include net investment income of the underlying investment companies, in which the Fund invests.

⁽⁸⁾ Excludes the impact of in-kind transactions.

⁽⁹⁾ Net realized and unrealized gain (loss) per share in this caption are balancing amounts necessary to reconcile the change in net asset value per share for the year, and may not reconcile with the aggregate gain (loss) in the Statement of Operations due to share transactions for the year.

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

Premise Capital Diversified Tactical ETF

NOTES TO FINANCIAL STATEMENTS

September 30, 2019

NOTE 1 – ORGANIZATION

Premise Capital Diversified Tactical ETF (the “Fund”) is a diversified series of ETF Series Solutions (“ESS” or the “Trust”), an open-end management investment company consisting of multiple investment series, organized as a Delaware statutory trust on February 9, 2012. The Trust is registered with the U.S. Securities and Exchange Commission (“SEC”) under the Investment Company Act of 1940, as amended (the “1940 Act”), as an open-end management investment company and the offering of the Fund’s shares is registered under the Securities Act of 1933, as amended (the “Securities Act”). The investment objective of the Fund is to track the performance, before fees and expenses, of the Premise Capital Frontier Advantage Diversified Tactical Index (the “Index”). The Fund commenced operations on October 27, 2016.

The end of the reporting period for the Fund is September 30, 2019, and the period covered by these Notes to Financial Statements is the fiscal year from October 1, 2019 to September 30, 2019 (the “current fiscal period”).

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

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

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

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

Premise Capital Diversified Tactical ETF

NOTES TO FINANCIAL STATEMENTS

September 30, 2019 (Continued)

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

Short-term securities that have maturities of less than 60 days at the time of purchase are valued at amortized cost, which, when combined with accrued interest, approximates fair value.

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

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

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities that the Fund has the ability to access.
- Level 2 – Observable inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These inputs may include quoted prices for the identical instrument on an inactive market, prices for similar instruments, interest rates, prepayment speeds, credit risk, yield curves, default rates and similar data.
- Level 3 – Unobservable inputs for the asset or liability, to the extent relevant observable inputs are not available; representing the Fund’s own assumptions about the assumptions a market participant would use in valuing the asset or liability, and would be based on the best information available.

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

Premise Capital Diversified Tactical ETF

NOTES TO FINANCIAL STATEMENTS

September 30, 2019 (Continued)

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

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

<u>Assets[^]</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Exchange Traded Funds	\$ 44,794,697	\$ —	\$ —	\$ 44,794,697
Short-Term Investments	<u>205,679</u>	<u>—</u>	<u>—</u>	<u>205,679</u>
Total Investments in Securities	<u>\$ 45,000,376</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 45,000,376</u>

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

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

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

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

Premise Capital Diversified Tactical ETF

NOTES TO FINANCIAL STATEMENTS

September 30, 2019 (Continued)

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

Premise Capital Diversified Tactical ETF

NOTES TO FINANCIAL STATEMENTS

September 30, 2019 (Continued)

on net assets or NAV per share and primarily relate to treatment of in-kind transactions. During the current fiscal period, the following table shows the reclassifications made:

<u>Distributable Earnings (Accumulated Deficit)</u>	<u>Paid-In Capital</u>
\$(1,480,203)	\$1,480,203

During the current fiscal period, the Fund realized \$1,480,203 in net capital gains resulting from in-kind redemptions in which shareholders exchanged Fund shares for securities held by the Fund rather than for cash. Because such gains are not taxable to the Fund, and are not distributed to shareholders, they have been reclassified from distributable earnings (accumulated deficit) to paid-in capital.

- I. *Subsequent Events.* In preparing these financial statements, Management has evaluated events and transactions for potential recognition or disclosure through the date the financial statements were issued. As of November 1, 2019, the size of creation units (as defined in Note 6) has changed to 25,000 shares and the Fund's name has changed to Premise Capital Diversified Tactical ETF. On November 25, 2019, U.S. Bancorp, the parent company of Quasar Distributors, LLC, the Fund's distributor, announced that it had signed a purchase agreement to sell Quasar to Foreside Financial Group, LLC such that Quasar will become a wholly-owned broker-dealer subsidiary of Foreside. The transaction is expected to close by the end of March 2020. Quasar will remain the Fund's distributor at the close of the transaction, subject to Board approval. There were no other events or transactions that occurred during the period subsequent to the end of the reporting period that materially impacted the amounts or disclosures in the Fund's financial statements.
- J. *New Accounting Pronouncements and Other Matters.* In August 2018, FASB issued Accounting Standards Update 2018-13, Fair Value Measurement (Topic 820): Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement ("ASU 2018-13"). The primary focus of ASU 2018-13 is to improve the effectiveness of the disclosure requirements for fair value measurements. The changes affect all companies that are required to include fair value measurement disclosures. In general, the amendments in ASU 2018-13 are effective for all entities for fiscal years and interim periods within those fiscal years, beginning after December 15, 2019. An entity is permitted to early adopt the removed or modified disclosures upon the issuance of ASU 2018-13 and may delay adoption of the additional disclosures, which are required for public companies only, until their effective date. Management has evaluated the impact of these changes and has adopted the disclosure framework.

Premise Capital Diversified Tactical ETF

NOTES TO FINANCIAL STATEMENTS

September 30, 2019 (Continued)

NOTE 3 – COMMITMENTS AND OTHER RELATED PARTY TRANSACTIONS

Premise Capital, LLC (the “Adviser”) serves as the investment adviser and index provider to the Fund. Pursuant to the Investment Advisory Agreement (“Advisory Agreement”), between the Trust, on behalf of the Fund, and the Adviser, the Adviser provides investment advice to the Fund and oversees the day-to-day operations of the Fund, subject to the direction and control of the Board and the officers of the Trust. Under the Advisory Agreement, the Adviser is responsible for arranging the transfer agency, custody, fund administration and accounting, and other related services necessary for the Fund to operate. Under the Advisory Agreement, the Adviser has agreed to pay all expenses of the Fund, except for: the fee paid to the Adviser pursuant to the Advisory Agreement, interest charges on any borrowings, dividends and other expenses on securities sold short, taxes, brokerage commissions and other expenses incurred in placing orders for the purchase and sale of securities and other investment instruments, acquired fund fees and expenses, accrued deferred tax liability, extraordinary expenses, and distribution (12b-1) fees and expenses. For services provided to the Fund, the Fund pays the Adviser at an annual rate of 0.75% based on the Fund’s average daily net assets. Prior to January 31, 2018, the Advisor’s management fee was an annual rate of 0.85% based on the Fund’s average daily net assets.

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

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

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

NOTE 4 – PURCHASES AND SALES OF SECURITIES

During the current fiscal period, purchases and sales of securities by the Fund, excluding short-term securities and in-kind transactions, were \$136,829,914 and \$118,289,581, respectively.

Premise Capital Diversified Tactical ETF

NOTES TO FINANCIAL STATEMENTS

September 30, 2019 (Continued)

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

During the current fiscal period, in-kind transactions associated with creations and redemptions were \$17,567,030 and \$23,693,239, respectively.

NOTE 5 – INCOME TAX INFORMATION

The components of distributable earnings (accumulated deficit) and cost basis of investments for federal income tax purposes at September 30, 2019 were as follows:

Tax cost of investments	<u>\$ 43,141,261</u>
Gross tax unrealized appreciation	\$ 1,968,670
Gross tax unrealized depreciation	<u>(109,555)</u>
Net tax unrealized appreciation (depreciation)	<u>1,859,115</u>
Undistributed ordinary income	532,755
Undistributed long-term capital gain	<u>—</u>
Accumulated gain (loss)	<u>532,755</u>
Other accumulated gain (loss)	<u>(1,457,309)</u>
Distributable earnings (accumulated deficit)	<u>\$ 934,561</u>

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

A regulated investment company may elect for any taxable year to treat any portion of any qualified late year loss as arising on the first day of the next taxable year. Qualified late year losses are certain capital and ordinary losses which occur during the portion of the Fund's taxable period subsequent to October 31 and December 31, respectively. The fund did not defer any late-year losses for the period ended September 30, 2019.

As of September 30, 2019, the Fund had a short-term capital loss carryforward of \$1,457,309. This amount does not have an expiration date.

The tax character of distributions paid by the Fund during the fiscal years ended September 30, 2019 and September 30, 2018, was as follows:

	<u>Year Ended</u> <u>September 30, 2019</u>	<u>Year Ended</u> <u>September 30, 2018</u>
Ordinary Income	\$297,457	\$261,258

Premise Capital Diversified Tactical ETF

NOTES TO FINANCIAL STATEMENTS

September 30, 2019 (Continued)

NOTE 6 – SHARE TRANSACTIONS

Shares of the Fund are listed and trade on Cboe BZX Exchange, Inc. (“Cboe”). Market prices for the shares may be different from their NAV. The Fund issues and redeems shares on a continuous basis at NAV generally in blocks of 25,000 shares, called “Creation Units.” Prior to November 1, 2019 the Fund issued and redeemed shares generally in blocks of 50,000 shares. Creation Units are issued and redeemed principally in-kind for securities included in a specified universe. Once created, shares generally trade in the secondary market at market prices that change throughout the day. Except when aggregated in Creation Units, shares are not redeemable securities of the Fund. Creation Units may only be purchased or redeemed by certain financial institutions (“Authorized Participants”). An Authorized Participant is either (i) a broker-dealer or other participant in the clearing process through the Continuous Net Settlement System of the National Securities Clearing Corporation or (ii) a Depository Trust Company participant and, in each case, must have executed a Participant Agreement with the Distributor. Most retail investors do not qualify as Authorized Participants nor have the resources to buy and sell whole Creation Units. Therefore, they are unable to purchase or redeem the shares directly from the Fund. Rather, most retail investors may purchase shares in the secondary market with the assistance of a broker and are subject to customary brokerage commissions or fees.

The Fund currently offers one class of shares, which has no front-end sales load, no deferred sales charge, and no redemption fee. A fixed transaction fee is imposed for the transfer and other transaction costs associated with the purchase or sale of Creation Units. The standard fixed transaction fee for the Fund is \$250, payable to the Custodian. The fixed transaction fee may be waived on certain orders if the Fund’s Custodian has determined to waive some or all the costs associated with the order or another party, such as the Adviser, has agreed to pay such fee. In addition, a variable fee may be charged on all cash transactions or substitutes for Creation Units of up to a maximum of 2% as a percentage of the value of the Creation Units subject to the transaction. Variable fees are imposed to compensate the Fund for the transaction costs associated with the cash transactions. Variable fees received by the Fund, if any, are displayed in the capital shares transactions section of the Statement of Changes in Net Assets. There were no variable fees received during the current fiscal period. The Fund may issue an unlimited number of shares of beneficial interest, with no par value. Shares of the Fund have equal rights and privileges.

NOTE 7 – PRINCIPAL RISK

Investment Company Risk. The risks of investment in investment companies, such as ETFs, typically reflect the risks of the types of instruments in which the investment companies invest. By investing in another investment company, the Fund becomes a shareholder of that investment company and bears its proportionate share of the fees

Premise Capital Diversified Tactical ETF

NOTES TO FINANCIAL STATEMENTS

September 30, 2019 (Continued)

and expenses of the other investment company. The Fund may be subject to statutory limits with respect to the amount it can invest in other ETFs, which may adversely affect the Fund's ability to achieve its investment objective. Investments in ETFs are also subject to the following risks: (i) the market price of an ETF's shares may trade above or below its net asset value; (ii) an active trading market for an ETF's shares may not develop or be maintained; and (iii) trading of an ETF's shares may be halted for a number of reasons.

Premise Capital Diversified Tactical ETF

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders of Premise Capital Diversified Tactical ETF and
Board of Trustees of ETF Series Solutions

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities, including the schedule of investments, of Premise Capital Diversified Tactical ETF (the “Fund”), a series of ETF Series Solutions, as of September 30, 2019, and the related statement of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the three periods in the period then ended, including the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as of September 30, 2019, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended, and the financial highlights for each of the three periods in the period then ended, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

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

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of September 30, 2019, by correspondence with the custodian and brokers. Our audits also included evaluating

Premise Capital Diversified Tactical ETF

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM (Continued)

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

We have served as the Fund's auditor since 2016.

A handwritten signature in black ink that reads "Cohen & Company Ltd." in a cursive, slightly slanted font.

COHEN & COMPANY, LTD.
Milwaukee, Wisconsin
November 27, 2019

Premise Capital Diversified Tactical ETF

TRUSTEES AND OFFICERS

(Unaudited)

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

Name and Year of Birth	Position Held with the Trust	Term of Office and Length of Time Served	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex Overseen by Trustee	Other Directorships Held by Trustee During Past 5 Years
Independent Trustees					
Leonard M. Rush, CPA Born: 1946	Lead Independent Trustee and Audit Committee Chairman	Indefinite term; since 2012	Retired; formerly Chief Financial Officer, Robert W. Baird & Co. Incorporated (wealth management firm) (2000–2011).	52	Independent Trustee, Managed Portfolio Series (39 portfolios) (since 2011).
David A. Massart Born: 1967	Trustee	Indefinite term; since 2012	Co-Founder, President, and Chief Investment Strategist, Next Generation Wealth Management, Inc. (since 2005).	52	Independent Trustee, Managed Portfolio Series (39 portfolios) (since 2011).
Janet D. Olsen Born: 1956	Trustee	Indefinite term; since 2018	Retired; formerly Managing Director and General Counsel, Artisan Partners Limited Partnership (investment adviser) (2000–2013); Executive Vice President and General Counsel, Artisan Partners Asset Management Inc. (2012–2013); Vice President and General Counsel, Artisan Funds, Inc. (investment company) (2001–2012).	52	Independent Trustee, PPM Funds (9 portfolios) (since 2018).
Interested Trustee					
Michael A. Castino Born: 1967	Trustee and Chairman	Indefinite term; since 2014; Chairman since 2013	Senior Vice President, U.S. Bancorp Fund Services, LLC (since 2013); Managing Director of Index Services, Zacks Investment Management (2011–2013).	52	None

Premise Capital Diversified Tactical ETF

TRUSTEES AND OFFICERS

(Unaudited) (Continued)

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

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

The Statement of Additional Information (“SAI”) includes additional information about the Trustees is available without charge, upon request, by calling toll free (800) 617-0004, by accessing the SEC’s website at www.sec.gov, or by accessing the Fund’s website at www.tctl.us.

Premise Capital Diversified Tactical ETF

EXPENSE EXAMPLE

For the Six-Months Ended September 30, 2019 (Unaudited)

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

Actual Expenses

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

Hypothetical Example for Comparison Purposes

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

	Beginning Account Value April 1, 2019	Ending Account Value September 30, 2019	Expenses Paid During the Period ⁽¹⁾
Actual	\$ 1,000.00	\$ 1,036.40	\$3.83
Hypothetical (5% annual return before expenses)	\$ 1,000.00	\$ 1,021.31	\$3.80

⁽¹⁾ The dollar amounts shown as expenses paid during the period are equal to the annualized expense ratio, 0.75%, multiplied by the average account value during the period, multiplied by 183/365, to reflect the one-half year period.

Premise Capital Diversified Tactical ETF

FEDERAL TAX INFORMATION

(Unaudited)

For the fiscal year ended September 30, 2019, certain dividends paid by the Fund may be subject to the maximum tax rate of 23.8%, as provided for by the Jobs and Growth Tax Relief Reconciliation Act of 2003.

The percentage of dividends declared from ordinary income designated as qualified dividend income was 67.86%.

For corporate shareholders, the percentage of ordinary income distributions qualifying for the corporate dividends received deduction for the fiscal year ended September 30, 2019 was 50.64%.

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

FOREIGN TAX CREDIT PASS THROUGH

(Unaudited)

For the fiscal year ended September 30, 2019, the Fund earned foreign source income and paid foreign taxes, which it intends to pass through to its shareholders pursuant to Section 853 of the Internal Revenue Code as follows:

<u>Foreign Source Income Earned</u>	<u>Foreign Taxes Paid</u>
\$161,159	\$19,450

INFORMATION ABOUT PORTFOLIO HOLDINGS

(Unaudited)

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

Premise Capital Diversified Tactical ETF

INFORMATION ABOUT PROXY VOTING

(Unaudited)

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

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

FREQUENCY DISTRIBUTION OF PREMIUMS AND DISCOUNTS

(Unaudited)

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

Adviser and Index Provider

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Distributor

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Custodian

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Independent Registered Public Accounting Firm

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Premise Capital Diversified Tactical ETF

Symbol – TCTL
CUSIP – 26922A768