

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2023

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

001-40369
(Commission File Number)

DYNAMIC SHARES TRUST
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation or organization)

32-6540728
(I.R.S. Employer
Identification No.)

c/o Dynamic Shares LLC
401 W. Superior Street, Suite 300
Chicago, IL 60654
(Address of principal executive offices) (Zip Code)

312-216-2890
(Registrant's telephone number, including area code)

n/a
(Former name, former address and former fiscal year, if changed since last report)

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

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|--------------------------------------------------------|-------------------|----------------------------------------------|
| Dynamic Short Short-Term Volatility Futures ETF | WEIX | NYSE Arca, Inc. |

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 whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a 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 is a shell company (as defined in Rule 12b-2 of the Exchange Act).

As of November 14, 2023, the registrant had 200,005 shares outstanding.

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CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains “forward-looking statements.” Forward-looking statements discuss matters that are not historical facts. Because they discuss future events or conditions, forward-looking statements may include words such as “anticipate,” “believe,” “estimate,” “intend,” “could,” “should,” “would,” “may,” “seek,” “plan,” “might,” “will,” “expect,” “anticipate,” “predict,” “project,” “forecast,” “potential,” “continue” negatives thereof or similar expressions. Forward-looking statements speak only as of the date they are made, are based on various underlying assumptions and current expectations about the future and are not guarantees. Such statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, level of activity, performance or achievement to be materially different from the results of operations or plans expressed or implied by such forward-looking statements.

We cannot predict all of the risks and uncertainties. Accordingly, such information should not be regarded as representations that the results or conditions described in such statements or that our objectives and plans will be achieved and we do not assume any responsibility for the accuracy or completeness of any of these forward-looking statements. These forward-looking statements are found at various places throughout this Quarterly Report on Form 10-Q and include information concerning possible or assumed future results of our operations, including statements about future business and financial performance or conditions, anticipated sales growth across markets, distribution channels and product categories, competition from larger, more established companies with greater economic resources than we have, expenses and gross margins, profits or losses, new product introductions, financing and working capital requirements and resources, control by our principal equity holders and the other factors set forth under the section entitled “Risk Factors”.

These forward-looking statements represent our intentions, plans, expectations, assumptions and beliefs about future events and are subject to risks, uncertainties and other factors. Many of those factors are outside of our control and could cause actual results to differ materially from the results expressed or implied by those forward-looking statements. In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements might not occur or might occur to a different extent or at a different time than we have described. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of the Quarterly Report on Form 10-Q. All subsequent written and oral forward-looking statements concerning other matters addressed in this Quarterly Report on Form 10-Q and attributable to us or any person acting on our behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this Quarterly Report on Form 10-Q.

Except to the extent required by law, we undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events, a change in events, conditions, circumstances or assumptions underlying such statements, or otherwise.

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

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Dynamic Shares Trust
STATEMENTS OF FINANCIAL CONDITION

| | Dynamic Short Short- Term Volatility Futures ETF | | Dynamic Shares Trust (combined) | |
|-------------------------------------------------------------------------------------------------|-------------------------------------------------------------|---------------------|--------------------------------------------|---------------------|
| | September 30, 2023 | December 31, 2022 | September 30, 2023 | December 31, 2022 |
| Assets | | | | |
| Investments at value (cost \$2,766,220, \$1,500,748, \$2,766,220 and \$1,500,748, respectively) | \$ 2,766,220 | \$ 1,500,748 | \$ 2,766,220 | \$ 1,500,748 |
| Cash | 100 | 100 | 100 | 100 |
| Segregated collateral with brokers for futures contracts | 2,418,576 | 1,176,159 | 2,418,576 | 1,176,159 |
| Unrealized on open futures contracts | - | 42,163 | - | 42,163 |
| Interest receivable | 19,084 | 4,857 | 19,084 | 4,857 |
| Total assets | <u>5,203,980</u> | <u>2,724,027</u> | <u>5,203,980</u> | <u>2,724,027</u> |
| Liabilities and shareholders' equity | | | | |
| Liabilities | | | | |
| Unrealized on open futures contracts | 93,995 | - | 93,995 | - |
| Payable to Sponsor | 8,550 | 1,098 | 8,550 | 1,098 |
| Total liabilities | <u>102,545</u> | <u>1,098</u> | <u>102,545</u> | <u>1,098</u> |
| Shareholders' equity | | | | |
| Shareholders' equity | 5,101,435 | 2,722,929 | 5,101,435 | 2,722,929 |
| Total liabilities and shareholders' equity | <u>\$ 5,203,980</u> | <u>\$ 2,724,027</u> | <u>\$ 5,203,980</u> | <u>\$ 2,724,027</u> |
| Net assets | <u>\$ 5,101,435</u> | <u>\$ 2,722,929</u> | <u>\$ 5,101,435</u> | <u>\$ 2,722,929</u> |
| Shares outstanding | <u>200,005</u> | <u>150,005</u> | <u>200,005</u> | <u>150,005</u> |
| Net asset value per share | <u>\$ 25.51</u> | <u>\$ 18.15</u> | <u>\$ 25.51</u> | <u>\$ 18.15</u> |
| Market value per share | <u>\$ 25.56</u> | <u>\$ 18.13</u> | <u>\$ 25.56</u> | <u>\$ 18.13</u> |

See accompanying notes to unaudited financial statements.

Dynamic Short Short-Term Volatility Futures ETF
SCHEDULE OF INVESTMENTS
As of September 30, 2023
(Unaudited)

| | Shares | Value |
|--------------------------------------------------------------------------------------------------|--------------|---------------------|
| Money Market Fund - 54.2% | | |
| Goldman Sachs Financial Square Government Fund - Institutional Shares (cost \$2,766,220), 5.24%* | \$ 2,766,220 | \$ 2,766,220 |
| Other Assets Less Liabilities - 45.8% | | 2,335,215 |
| Net Assets - 100.00% | | \$ 5,101,435 |

| | Number of Contracts | Original Notional | Notional Value at Year End | Unrealized Appreciation (Depreciation) |
|-------------------------------------------|------------------------|----------------------|----------------------------------|----------------------------------------------|
| Futures Contracts Sold | | | | |
| VIX Futures - Cboe, expires October 2023 | (58) | \$ (942,650) | \$ (1,030,730) | \$ (88,080) |
| VIX Futures - Cboe, expires November 2023 | (39) | (705,691) | (711,606) | (5,915) |
| | | | | \$ (93,995) |

* Represents 7-day SEC yield as of September 30, 2023.

Dynamic Shares Trust (combined)
SCHEDULE OF INVESTMENTS
As of September 30, 2023
(Unaudited)

| | Shares | Value |
|--------------------------------------------------------------------------------------------------|--------------|---------------------|
| Money Market Fund - 54.2% | | |
| Goldman Sachs Financial Square Government Fund - Institutional Shares (cost \$2,766,220), 5.24%* | \$ 2,766,220 | \$ 2,766,220 |
| Other Assets Less Liabilities - 45.8% | | 2,335,215 |
| Net Assets - 100.00% | | \$ 5,101,435 |

| | Number of Contracts | Original Notional | Notional Value at Year End | Unrealized Appreciation (Depreciation) |
|-------------------------------------------|------------------------|----------------------|----------------------------------|----------------------------------------------|
| Futures Contracts Sold | | | | |
| VIX Futures - Cboe, expires October 2023 | (58) | \$ (942,650) | \$ (1,030,730) | \$ (88,080) |
| VIX Futures - Cboe, expires November 2023 | (39) | (705,691) | (711,606) | (5,915) |
| | | | | \$ (93,995) |

* Represents 7-day SEC yield as of September 30, 2023.

See accompanying notes to unaudited financial statements.

Dynamic Short Short-Term Volatility Futures ETF
SCHEDULE OF INVESTMENTS
As of December 31, 2022

| | Shares | Value |
|---------------------------------------------------------------------------------------------------|--------------|---------------------|
| Money Market Fund – 55.1% | | |
| Goldman Sachs Financial Square Government Fund - Institutional Shares (cost \$1,500,748), 4.15%** | \$ 1,500,748 | \$ 1,500,748 |
| Other Assets Less Liabilities – 44.9% | | 1,222,181 |
| Net Assets - 100.00% | | \$ 2,722,929 |

| | Number of Contracts | Original Notional | Notional Value at Year End | Unrealized Appreciation (Depreciation) |
|-------------------------------------------|------------------------|----------------------|----------------------------------|----------------------------------------------|
| Futures Contracts Sold | | | | |
| VIX Futures - Cboe, expires January 2023 | (34) | \$ (823,870) | \$ (785,355) | \$ 38,515 |
| VIX Futures - Cboe, expires February 2023 | (23) | (568,190) | (564,542) | 3,648 |
| | | | | \$ 42,163 |

** Represents 7-day SEC yield as of December 31, 2022.

Dynamic Shares Trust (combined)
SCHEDULE OF INVESTMENTS
As of December 31, 2022

| | Shares | Value |
|---------------------------------------------------------------------------------------------------|--------------|---------------------|
| Money Market Fund – 55.1% | | |
| Goldman Sachs Financial Square Government Fund - Institutional Shares (cost \$1,500,748), 4.15%** | \$ 1,500,748 | \$ 1,500,748 |
| Other Assets Less Liabilities – 44.9% | | 1,222,181 |
| Net Assets - 100.00% | | \$ 2,722,929 |

| | Number of Contracts | Original Notional | Notional Value at Year End | Unrealized Appreciation (Depreciation) |
|-------------------------------------------|------------------------|----------------------|----------------------------------|----------------------------------------------|
| Futures Contracts Sold | | | | |
| VIX Futures - Cboe, expires January 2023 | (34) | \$ (823,870) | \$ (785,355) | \$ 38,515 |
| VIX Futures - Cboe, expires February 2023 | (23) | (568,190) | (564,542) | 3,648 |
| | | | | \$ 42,163 |

** Represents 7-day SEC yield as of December 31, 2022.

See accompanying notes to unaudited financial statements.

Dynamic Shares Trust
STATEMENTS OF OPERATIONS
(Unaudited)

| | Dynamic Short Short-Term Volatility Futures ETF | | | | Dynamic Shares Trust (combined) | | | |
|------------------------------------------------------------------------|------------------------------------------------------------|-------------------|------------------------------------|---------------------|----------------------------------------|-------------------|------------------------------------|---------------------|
| | Three Months Ended September 30, | | Nine Months Ended September 30, | | Three Months Ended September 30, | | Nine Months Ended September 30, | |
| | 2023 | 2022 | 2023 | 2022(a) | 2023 | 2022 | 2023 | 2022(a) |
| Investment Income | | | | | | | | |
| Interest | \$ 50,901 | \$ 7,951 | \$ 114,802 | \$ 10,824 | \$ 50,901 | \$ 7,951 | \$ 114,802 | \$ 10,824 |
| Expenses | | | | | | | | |
| Management fee | 21,149 | 11,178 | 50,124 | 32,317 | 21,149 | 11,178 | 50,124 | 32,317 |
| Management fee waived | - | (8,103) | (9,696) | (16,038) | - | (8,103) | (9,696) | (16,038) |
| Net management fee | 21,149 | 3,075 | 40,428 | 16,279 | 21,149 | 3,075 | 40,428 | 16,279 |
| Net investment income (loss) | <u>29,752</u> | <u>4,876</u> | <u>74,374</u> | <u>(5,455)</u> | <u>29,752</u> | <u>4,876</u> | <u>74,374</u> | <u>(5,455)</u> |
| Realized and unrealized gain (loss) on investment activity | | | | | | | | |
| Net realized gain (loss) on futures contracts | 311,010 | 155,815 | 1,198,945 | (706,217) | 311,010 | 155,815 | 1,198,945 | (706,217) |
| Change in net unrealized (depreciation) on futures contracts | (195,249) | (58,568) | (136,158) | (11,762) | (195,249) | (58,568) | (136,158) | (11,762) |
| Net realized and unrealized gain (loss) | <u>115,761</u> | <u>97,247</u> | <u>1,062,787</u> | <u>(717,979)</u> | <u>115,761</u> | <u>97,247</u> | <u>1,062,787</u> | <u>(717,979)</u> |
| Net increase (decrease) in net assets resulting from operations | <u>\$ 145,513</u> | <u>\$ 102,123</u> | <u>\$ 1,137,161</u> | <u>\$ (723,434)</u> | <u>\$ 145,513</u> | <u>\$ 102,123</u> | <u>\$ 1,137,161</u> | <u>\$ (723,434)</u> |

(a) The Fund and Trust commenced investment operations on January 12, 2022. Prior to that date, the Fund and Trust did not hold any investments.

See accompanying notes to unaudited financial statements.

Dynamic Shares Trust
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Unaudited)

| | Dynamic Short Short-Term Volatility Futures ETF | | | | Dynamic Shares Trust (combined) | | | |
|-----------------------------------------------------------------|------------------------------------------------------------|--------------------|--------------------|--------------------|----------------------------------------|--------------------|--------------------|--------------------|
| | Three Months Ended | | Nine Months Ended | | Three Months Ended | | Nine Months Ended | |
| | September 30, | | September 30, | | September 30, | | September 30, | |
| | 2023 | 2022 | 2023 | 2022(a) | 2023 | 2022 | 2023 | 2022(a) |
| Shareholders' equity, beginning of period | <u>\$3,714,577</u> | <u>\$2,174,240</u> | <u>\$2,722,929</u> | <u>\$ 100</u> | <u>\$3,714,577</u> | <u>\$2,174,240</u> | <u>\$2,722,929</u> | <u>\$ 100</u> |
| Shares issued | 1,241,345 | - | 1,241,345 | 2,999,697 | 1,241,345 | - | 1,241,345 | 2,999,697 |
| Net investment income (loss) | 29,752 | 4,876 | 74,374 | (5,455) | 29,752 | 4,876 | 74,374 | (5,455) |
| Net realized gain (loss) | 311,010 | 155,815 | 1,198,945 | (706,217) | 311,010 | 155,815 | 1,198,945 | (706,217) |
| Change in net unrealized appreciation (depreciation) | (195,249) | (58,568) | (136,158) | (11,762) | (195,249) | (58,568) | (136,158) | (11,762) |
| Net increase (decrease) in net assets resulting from operations | 145,513 | 102,123 | 1,137,161 | (723,434) | 145,513 | 102,123 | 1,137,161 | (723,434) |
| Shareholders' equity, end of period | <u>\$5,101,435</u> | <u>\$2,276,363</u> | <u>\$5,101,435</u> | <u>\$2,276,363</u> | <u>\$5,101,435</u> | <u>\$2,276,363</u> | <u>\$5,101,435</u> | <u>\$2,276,363</u> |
| Share Transactions | | | | | | | | |
| Beginning of period | 150,005 | 150,005 | 150,005 | 5 | 150,005 | 150,005 | 150,005 | 5 |
| Shares Issued | 50,000 | - | 50,000 | 150,000 | 50,000 | - | 50,000 | 150,000 |
| End of period | <u>200,005</u> | <u>150,005</u> | <u>200,005</u> | <u>150,005</u> | <u>200,005</u> | <u>150,005</u> | <u>200,005</u> | <u>150,005</u> |

(a) The Fund and Trust commenced investment operations on January 12, 2022. Prior to that date, the Fund and Trust did not hold any investments.

See accompanying notes to unaudited financial statements.

Dynamic Shares Trust
STATEMENTS OF CASH FLOWS
(Unaudited)

| | Dynamic Short Short-Term Volatility Futures ETF | | Dynamic Shares Trust (combined) | |
|----------------------------------------------------------------------------------------------------|------------------------------------------------------------|--------------------|----------------------------------------|--------------------|
| | Nine Months Ended September 30, | | Nine Months Ended September 30, | |
| | 2023 | 2022(a) | 2023 | 2022(a) |
| Cash flow from operating activities | | | | |
| Net income (loss) | \$ 1,137,161 | \$ (723,434) | \$ 1,137,161 | \$ (723,434) |
| Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities: | | | | |
| Net purchases of short term investments | (1,265,472) | (1,492,454) | (1,265,472) | (1,492,454) |
| Change in net unrealized appreciation on futures contracts | 136,158 | 11,762 | 136,158 | 11,762 |
| Decrease (Increase) in interest receivable | (14,228) | (3,362) | (14,228) | (3,362) |
| Increase (Decrease) in payable to Sponsor | 7,453 | 1,068 | 7,453 | 1,068 |
| Net cash provided by (used in) operating activities | <u>1,072</u> | <u>(2,206,420)</u> | <u>1,072</u> | <u>(2,206,420)</u> |
| Cash flow from proceeds from financing activities | | | | |
| Proceeds from addition of shares | 1,241,345 | 2,999,697 | 1,241,345 | 2,999,697 |
| Net increase (decrease) in cash | <u>1,242,417</u> | <u>793,277</u> | <u>1,242,417</u> | <u>793,277</u> |
| Cash, beginning of period | 1,176,259 | 100 | 1,176,259 | 100 |
| Cash, end of period | <u>\$ 2,418,676</u> | <u>\$ 793,377</u> | <u>\$ 2,418,676</u> | <u>\$ 793,377</u> |
| Cash Represents: | | | | |
| Cash | \$ 100 | \$ 100 | \$ 100 | \$ 100 |
| Segregated collateral with brokers for futures contracts | <u>2,418,576</u> | <u>793,277</u> | <u>2,418,576</u> | <u>793,277</u> |
| Cash, end of period | <u>\$ 2,418,676</u> | <u>\$ 793,377</u> | <u>\$ 2,418,676</u> | <u>\$ 793,377</u> |

(a) The Fund and Trust commenced investment operations on January 12, 2022. Prior to that date, the Fund and Trust did not hold any investments.

See accompanying notes to unaudited financial statements.

DYNAMIC SHARES TRUST
NOTES TO FINANCIAL STATEMENTS
September 30, 2023
(unaudited)

NOTE 1— ORGANIZATION

Dynamic Shares Trust (the “Trust”) is a Delaware statutory trust organized on March 8, 2019 and is currently organized into a single series, Dynamic Short Short-Term Volatility Futures ETF (the “Fund”), which commenced investment operations on January 12, 2022. The Fund issues common units of beneficial interest (“Shares”), which represent units of fractional undivided beneficial interest in the ownership of the Fund. The Shares of the Fund are listed on the NYSE Arca, Inc. (“NYSE Arca”).

The Fund seeks to achieve its investment objective, under normal circumstances, by obtaining investment exposure to an actively managed portfolio of short positions in futures contracts with monthly expirations (“VIX Futures Contracts”), which are based on the Chicago Board Options Exchange, Incorporated (“CBOE”) Volatility Index (the “VIX Index” or “VIX”). The Fund expects that the notional exposure of its portfolio of short positions in VIX Futures Contracts will range from -0.1 to -0.5 under normal circumstances. The Fund expects to primarily take short positions in VIX Futures Contracts by shorting the next two near term VIX Futures Contracts and rolling the nearest month VIX Futures Contract to the next month on a daily basis. As such, the Fund expects to have a constant one-month rolling short position in first and second month VIX Futures Contracts under normal circumstances.

The Trust and the Fund had no operations prior to January 12, 2022, other than matters relating to its organization, the registration of the Fund under the Securities Act of 1933, as amended, and the sale and issuance to Dynamic Shares, LLC, a Delaware limited liability company (the “Sponsor”) of five Shares at an aggregate purchase price of \$100 in the Fund.

The Fund continuously offers and redeems its Shares in blocks of 50,000 Shares (each such block a “Creation Unit”). Only Authorized Participants may purchase and redeem Shares from the Fund and then only in Creation Units. An Authorized Participant is an entity that has entered into an Authorized Participant Agreement with the Fund. Shares of the Fund are offered to Authorized Participants in Creation Units at the Fund’s Net Asset Value (“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 that varies depending on, among other factors, the trading price of the Shares of the Fund on its listing exchange, the NAV and the supply of and demand for the Shares at the time of the offer. Shares from the same Creation Unit may be offered at different times and may have different offering prices based upon the above factors. The form of Authorized Participant Agreement and related Authorized Participant Handbook set forth the terms and conditions under which an Authorized Participant may purchase or redeem a Creation Unit. Authorized Participants do not receive from the Fund, the Sponsor, or any of their affiliates, any underwriting fees or compensation in connection with their sale of Shares to the public. Shares of the Fund commenced trading on NYSE Arca on January 13, 2022.

The Sponsor also serves as the Fund’s commodity pool operator. Wilmington Trust Company serves as the Trustee of the Trust (the “Trustee”). The Fund is a commodity pool, as defined under the Commodity Exchange Act (the “CEA”), and the applicable regulations of the Commodity Futures Trading Commission (the “CFTC”) and are operated by the Sponsor, a commodity pool operator registered with the CFTC. The Trust is not an investment company registered under the Investment Company Act of 1940, as amended (the “1940 Act”).

DYNAMIC SHARES TRUST
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
September 30, 2023
(unaudited)

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

Pursuant to rules and regulations of the U.S. Securities and Exchange Commission (“SEC”), these financial statements are presented for the Trust as a whole, as the SEC registrant and the Fund individually. The liabilities and expenses incurred, contracted for or otherwise existing with respect to each series of the Trust shall be enforceable only against the assets of each series of the Trust and not against the assets of the Trust generally or any other series.

The 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 Fund follows the investment company accounting and reporting guidance. The following is a summary of significant accounting policies followed by the 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-Q 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. However, while the Fund became a reporting company under the Securities Exchange Act of 1934 (the “Exchange Act”) on April 28, 2021, prior to January 12, 2022, the Fund had not commenced investment operations.

Emerging Growth Company

The Trust is an “emerging growth company,” as defined in the Jumpstart Our Business Startups (“JOBS”) 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 \$1.07 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.”

In addition, Section 107 of the JOBS Act also provides that an emerging growth company can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act for complying with new or revised accounting standards. In other words, an emerging growth company can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. The Trust intends to take advantage of the benefits of the extended transition period.

DYNAMIC SHARES TRUST
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
September 30, 2023
(unaudited)

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 increases and decreases in net assets resulting from operations. 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 material or significant 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. However, the debts, liabilities, obligations and expenses incurred, contracted for or otherwise existing with respect to the Fund shall be enforceable only against the assets of the Fund and not against the assets of the Trust generally or any other series of the Trust. Accordingly, the assets of the Fund include only those funds and other assets that are paid to, held by or distributed to the Trust for the purchase of Shares in the Fund.

Statements of Cash Flows

The cash amounts shown in the Statements of Cash Flows are the amounts reported as cash in the Statements of Financial Condition dated September 30, 2023 and September 30, 2022, and represents cash and segregated cash balances with brokers for futures contracts.

Final Net Asset Value for Fiscal Period

The cut-off times and the times of the calculation of the Fund's final net asset value for creation and redemption of fund shares for the period ended September 30, 2023 were typically as follows. All times are Eastern Standard Time:

| | Create/Redeem Cut-Off* | NAV Calculation Time |
|-------------------------------------------------|---------------------------|-------------------------|
| Dynamic Short Short-Term Volatility Futures ETF | 2:00 p.m. | 4:00 p.m. |

* Although the Fund's 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 period ended September 30, 2023.

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Market value per Share is determined at the close of the applicable primary listing exchange and may differ from when the Funds' NAV per Share is calculated. For financial reporting purposes, the Fund values transactions based upon the final closing price in the United States.

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.

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 are generally valued at the last settled price on the applicable exchange on which that future trades. For financial reporting purposes, all futures contracts are valued at last settled price. Futures contracts valuations are typically categorized as Level I in the fair value hierarchy. Swap agreements, forward agreements and foreign currency forward contracts valuations are typically categorized as Level II in the fair value hierarchy. The Sponsor may in its sole discretion choose to determine a fair value price as the basis for determining the market value of such position. Such fair value prices would be generally determined based on available inputs relating to the current value of the underlying financial instrument or commodity and would be based on principles that the Sponsor deems fair and equitable so long as such principles are consistent with normal industry standards. The Sponsor may fair value an asset of the Fund pursuant to the policies the Sponsor has adopted, which are consistent with normal industry standards. Depending on the source and relevant significance of valuation inputs, these instruments may be classified as Level II or Level III in the fair value hierarchy.

Fair value pricing may require subjective determinations about the value of an investment. While the 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 Fund 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).

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Fair Value of Financial Instruments

The Fund discloses the fair value of its investments in a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The disclosure requirements establish a fair value hierarchy that distinguishes between: (1) market participant assumptions developed based on market data obtained from sources independent of the Fund (observable inputs); and (2) the Fund's own assumptions about market participant assumptions developed based on the best information available under the circumstances (unobservable inputs). The three levels defined by the disclosure requirements hierarchy are as follows:

Level I – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level II – Inputs other than quoted prices included within Level I that are observable for the asset or liability, either directly or indirectly. Level II assets include the following: quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and inputs that are derived principally from or corroborated by observable market data by correlation or other means (market-corroborated inputs).

Level III – Unobservable pricing input at the measurement date for the asset or liability. Unobservable inputs shall be used to measure fair value to the extent that observable inputs are not available.

In some instances, the inputs used to measure fair value might fall in different levels of the fair value hierarchy. The level in the fair value hierarchy within which the fair value measurement in its entirety falls is determined based on the lowest input level that is significant to the fair value measurement in its entirety.

Fair value measurements also require additional disclosure when the volume and level of activity for the asset or liability have significantly decreased, as well as when circumstances indicate that a transaction is not orderly.

The following table summarizes the valuation of investments as of September 30, 2023, using the fair value hierarchy:

| | Level I – Quoted Prices | |
|-------------------------------------------------|-------------------------|---------------------|
| | Money Market Fund | Futures Contracts * |
| Dynamic Short Short-Term Volatility Futures ETF | \$ 2,766,220 | \$ (93,995) |
| Dynamic Shares Trust (combined) | \$ 2,766,220 | \$ (93,995) |

* Includes cumulative appreciation (depreciation) of futures contracts as reported in the Schedule of Investments. Amounts shown for futures is depreciation as presented in the Statements of Financial Condition.

For the period ended September 30, 2023, there were no transfers into or out of Level 3 securities and no Level 3 securities held.

The following table summarizes the valuation of investments as of December 31, 2022, using the fair value hierarchy:

| | Level I – Quoted Prices | |
|-------------------------------------------------|-------------------------|---------------------|
| | Money Market Fund | Futures Contracts * |
| Dynamic Short Short-Term Volatility Futures ETF | \$ 1,500,748 | \$ 42,163 |
| Dynamic Shares Trust (combined) | \$ 1,500,748 | \$ 42,163 |

* Includes cumulative appreciation (depreciation) of futures contracts as reported in the Schedule of Investments. Amounts shown for futures is unrealized appreciation as presented in the Statements of Financial Condition.

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For the period ended December 31, 2022, there were no transfers into or out of Level 3 and no Level 3 securities held.

The inputs or methodology used for valuing investments are not necessarily an indication of the risk associated with investing in those securities.

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 Statements of Operations.

Brokerage Commissions and Futures Account Fees

The Fund pays its brokerage commissions, including applicable exchange fees, NFA fees, give up fees, pit brokerage fees and other transaction related fees and expenses charged in connection with trading activities for the Fund's investment in CFTC regulated investments. Brokerage commissions on futures contracts are recognized on a half-turn basis.

Federal Income Tax

The 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, the Fund does not expect to incur U.S. federal income tax liability; rather, each beneficial owner of the Fund's Shares is required to take into account its allocable share of the 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 Fund has reviewed all open tax years and major jurisdictions (i.e., the last three 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 Fund is 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.

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NOTE 3 – INVESTMENTS

Short-Term Investments

The Fund 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 the 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 the objective of the Fund.

All open derivative positions at period end are reflected on the Fund's Schedule of Investments. Following is a description of the derivative instruments used by the Fund during the reporting period, including the primary underlying risk exposures related to each instrument type.

Futures Contracts

A derivative refers to any financial instrument whose value is derived, at least in part, from the price of an underlying security, asset, rate, or index. The use of derivatives presents risk different from, and possibly greater than, the risks associated with investing directly in traditional securities. Changes in the value of a derivative may not correlate perfectly with the underlying security, asset, rate or index. Gains or losses in a derivative may be magnified and may be much greater than the derivative's original cost.

Generally speaking, 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, the 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 Fund maintains collateral at the broker in the form of cash and/or securities. Pursuant to the futures contract, the 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 the Fund as unrealized gains or losses. The Fund will realize a gain or loss upon closing of a futures transaction.

The Fund invests in and has investment exposure to an actively managed portfolio of short positions in VIX Futures Contracts, which are based on the CBOE VIX Index. VIX Futures Contracts, which are types of derivative contracts, are unlike traditional futures contracts and are not based on a tradable reference asset. The VIX Index is not directly investable, and the settlement price of a VIX Futures Contract is based on the calculation that determines the level of the VIX Index.

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Futures contracts involve, to varying degrees, elements of market 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 the 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 Fund since futures contracts are exchange-traded and the credit risk resides with the Fund's 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 the Fund to substantial losses. If trading is not possible, or if the 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.

The following tables indicate the location of derivative related items on the Statements of Financial Condition as well as the effect of derivative instruments on the Statements of Operations during the reporting period.

Fair Value of Derivative Instruments as of September 30, 2023

| | Derivatives Not Accounted for as Hedging Instruments | Asset Derivatives | | Liability Derivatives | |
|-------------------------------------------------|------------------------------------------------------|--------------------------------------------|-------------------------|--------------------------------------------|---------------------------|
| | | Statements of Financial Condition Location | Unrealized Appreciation | Statements of Financial Condition Location | Unrealized (Depreciation) |
| Dynamic Short Short-Term Volatility Futures ETF | Equity risk | - | - | Unrealized on open futures contracts | \$ (93,995) |
| Dynamic Shares Trust (combined) | Equity risk | - | - | Unrealized on open futures contracts | \$ (93,995) |

Fair Value of Derivative Instruments as of December 31, 2022

| | Derivatives Not Accounted for as Hedging Instruments | Asset Derivatives | | Liability Derivatives | |
|-------------------------------------------------|------------------------------------------------------|--------------------------------------------|-------------------------|--------------------------------------------|---------------------------|
| | | Statements of Financial Condition Location | Unrealized Appreciation | Statements of Financial Condition Location | Unrealized (Depreciation) |
| Dynamic Short Short-Term Volatility Futures ETF | Equity risk | Unrealized on open futures contracts | \$ 42,163 | - | - |
| Dynamic Shares Trust (combined) | Equity risk | Unrealized on open futures contracts | \$ 42,163 | - | - |

DYNAMIC SHARES TRUST
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
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The Effect of Derivative Instruments on the Statements of Operations
For the three months ended September 30, 2023

| | Derivatives Not Accounted for as Hedging Instruments | Location of Gain (Loss) on Derivatives Recognized in Income | Realized Gain (Loss) on Derivatives Recognized in Income | Change in Unrealized Appreciation (Depreciation) on Derivatives Recognized in Income |
|-------------------------------------------------|---------------------------------------------------------------------|----------------------------------------------------------------------------|-------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|
| Dynamic Short Short-Term Volatility Futures ETF | Equity risk | Realized and unrealized gain (loss) on investment activity | \$ 311,010 | \$ (195,249) |
| Dynamic Shares Trust (combined) | Equity risk | Realized and unrealized gain (loss) on investment activity | \$ 311,010 | \$ (195,249) |

For the nine months ended September 30, 2023

| | Derivatives Not Accounted for as Hedging Instruments | Location of Gain (Loss) on Derivatives Recognized in Income | Realized Gain (Loss) on Derivatives Recognized in Income | Change in Unrealized Appreciation (Depreciation) on Derivatives Recognized in Income |
|-------------------------------------------------|---------------------------------------------------------------------|----------------------------------------------------------------------------|-------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|
| Dynamic Short Short-Term Volatility Futures ETF | Equity risk | Realized and unrealized gain (loss) on investment activity | \$ 1,198,945 | \$ (136,158) |
| Dynamic Shares Trust (combined) | Equity risk | Realized and unrealized gain (loss) on investment activity | \$ 1,198,945 | \$ (136,158) |

For the three months ended September 30, 2022

| | Derivatives Not Accounted for as Hedging Instruments | Location of Gain (Loss) on Derivatives Recognized in Income | Realized Gain (Loss) on Derivatives Recognized in Income | Change in Unrealized Appreciation (Depreciation) on Derivatives Recognized in Income |
|-------------------------------------------------|---------------------------------------------------------------------|----------------------------------------------------------------------------|-------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|
| Dynamic Short Short-Term Volatility Futures ETF | Equity risk | Realized and unrealized gain (loss) on investment activity | \$ 155,815 | \$ (58,568) |
| Dynamic Shares Trust (combined) | Equity risk | Realized and unrealized gain (loss) on investment activity | \$ 155,815 | \$ (58,568) |

For the nine months ended September 30, 2022

| | Derivatives Not Accounted for as Hedging Instruments | Location of Gain (Loss) on Derivatives Recognized in Income | Realized Gain (Loss) on Derivatives Recognized in Income | Change in Unrealized Appreciation (Depreciation) on Derivatives Recognized in Income |
|-------------------------------------------------|---------------------------------------------------------------------|----------------------------------------------------------------------------|-------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|
| Dynamic Short Short-Term Volatility Futures ETF | Equity risk | Realized and unrealized gain (loss) on investment activity | \$ (706,217) | \$ (11,762) |
| Dynamic Shares Trust (combined) | Equity risk | Realized and unrealized gain (loss) on investment activity | \$ (706,217) | \$ (11,762) |

The following tables represent the average notional values, which serve as an indicator of volume for the futures:

For the three months ended September 30, 2023

| | Derivative Type | Type | Average Notional |
|-------------------------------------------------|------------------------|-------------|-------------------------|
| Dynamic Short Short-Term Volatility Futures ETF | Futures | Equity risk | \$ (1,742,335) |
| Dynamic Shares Trust (combined) | Futures | Equity risk | \$ (1,742,335) |

For the nine months ended September 30, 2023

| | Derivative Type | Type | Average Notional |
|-------------------------------------------------|------------------------|-------------|-------------------------|
| Dynamic Short Short-Term Volatility Futures ETF | Futures | Equity risk | \$ (1,379,514) |
| Dynamic Shares Trust (combined) | Futures | Equity risk | \$ (1,379,514) |

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For the three months ended September 30, 2022

| | Derivative Type | Type | Average Notional |
|-------------------------------------------------|------------------------|-------------|-------------------------|
| Dynamic Short Short-Term Volatility Futures ETF | Futures | Equity risk | \$ (250,795) |
| Dynamic Shares Trust (combined) | Futures | Equity risk | \$ (250,795) |

For the nine months ended September 30, 2022

| | Derivative Type | Type | Average Notional |
|-------------------------------------------------|------------------------|-------------|-------------------------|
| Dynamic Short Short-Term Volatility Futures ETF | Futures | Equity risk | \$ (884,503) |
| Dynamic Shares Trust (combined) | Futures | Equity risk | \$ (884,503) |

NOTE 4 – AGREEMENTS

Management Fee

Dynamic Shares LLC, a Delaware limited liability company formed on June 4, 2018, is the Sponsor of the Trust and the Fund (the “Sponsor”). The Fund pays the Sponsor a management fee (the “Management Fee”), monthly in arrears, in an amount equal to 1.85% per annum of its average daily net assets (calculated by summing the daily net assets of the Fund and dividing by the number of calendar days in the month). 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 or indirectly.

From April 1, 2022 through April 1, 2023, the Sponsor voluntarily agreed to lower the rate of the Management Fee to 0.50% per annum of the average daily net assets of the Fund (the “Voluntary Waiver”).

Non-Recurring Fees and Expenses

The 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 Fund. Routine operational, administrative and other ordinary expenses are not deemed extraordinary expenses.

The Administrator

The Nottingham Company (“Nottingham”), serves as the Administrator of the Fund. The Trust, on its own behalf and on behalf of the Fund, and Nottingham have entered into an administration and accounting agreement (the “Administration and Accounting Agreement”) in connection therewith. Pursuant to the terms of the Administration and Accounting Agreement and under the supervision and direction of the Sponsor and the Trust, Nottingham prepares and files certain regulatory filings on behalf of the Fund. Nottingham also may perform other services for the Fund pursuant to the Administration and Accounting Agreement as mutually agreed upon by the Sponsor, the Trust and Nottingham from time to time. The Administrator’s fees are paid by the Sponsor from the management fee earned.

The Custodian

BMO Harris Bank N.A. (“BMO”) serves as the Custodian of the Fund, and the Trust, on its own behalf and on behalf of the Fund, and BMO have entered into a custody agreement (the “Custody Agreement”) in connection therewith. Pursuant to the terms of the Custody Agreement, BMO is responsible for the holding and safekeeping of assets delivered to it by the Fund, and performing various administrative duties in accordance with instructions delivered to BMO by the Funds. The Custodian’s fees are paid by the Trust and reimbursed by the Sponsor.

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The Transfer Agent

Nottingham Shareholder Services, LLC, serves as the Transfer Agent of the Fund for Authorized Participants and will enter into a dividend disbursing and transfer agent agreement (the “Transfer Agent Agreement”). Pursuant to the terms of the Transfer Agent Agreement, the Transfer Agent will be responsible for processing purchase and redemption orders and maintaining records of ownership of the Fund. The Transfer Agent fees are paid by the Sponsor from the management fee earned.

The Distributor

Capital Investment Group, Inc., serves as the Distributor of the Fund and will assist the Sponsor and the Administrator with functions and duties relating to distribution and marketing, which include the following: taking creation and redemption orders, and consulting with the marketing staff of the Sponsor and its affiliates with respect to compliance matters in connection with marketing efforts.

Note 5 – CREATION AND REDEMPTION OF CREATION UNITS

The Fund issues and redeems shares from time to time, but only in one or more Creation Units. A Creation Unit is a block of 50,000 Shares. 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 the 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 and redeemed is dictated by the terms of the Authorized Participant Agreement and Authorized Participant Handbook. By placing a purchase order, an Authorized Participant agrees to deposit cash with the Custodian of the Fund. If permitted by the Sponsor in its sole discretion, an Authorized Participant also agrees to enter into or arrange for an exchange of futures for related position 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 exchange of futures for related position to effect an order to redeem Creation Units.

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Authorized Participants pay a fixed transaction fee of up to \$500 in connection with each order to create or redeem a Creation Unit to compensate the Administrator, the Custodian and the Transfer Agent of the 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. 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 Fund to other investors.

NOTE 6 – FINANCIAL HIGHLIGHTS

Selected Data for a Share Outstanding Throughout each Period

| | Dynamic Short Short-Term Volatility Futures ETF | | | |
|---------------------------------------------|--------------------------------------------------------|-----------------|------------------------------------|-----------------|
| | FINANCIAL HIGHLIGHTS | | | |
| | (Unaudited) Three Months Ended September 30, | | Nine Months Ended September 30, | |
| | 2023 | 2022 | 2023 | 2022(a) |
| Per Share Operating Performance | | | | |
| Net asset value, beginning of period | \$ 24.76 | \$ 14.49 | \$ 18.15 | \$ 20.00 |
| Net investment income (loss) (b) | 0.17 | 0.03 | 0.47 | (0.04) |
| Net realized and unrealized gain (loss) | 0.58 | 0.66 | 6.89 | (4.78) |
| Net asset value, end of period | <u>\$ 25.51</u> | <u>\$ 15.18</u> | <u>\$ 25.51</u> | <u>\$ 15.18</u> |
| Market value per share, beginning of period | \$ 19.57 | \$ 14.45 | \$ 18.13 | \$ 20.00 |
| Market value per share, end of period | \$ 25.56 | \$ 15.18 | \$ 25.56 | \$ 15.18 |
| Total Return, at net asset value (c) | 3.03% | 4.76% | 40.55% | (24.10)% |
| Total Return, at market value (c) | 30.61% | 5.05% | 40.98% | (24.10)% |
| Ratios to Average Net Assets (d) | | | | |
| Gross expense | 1.85% | 1.85% | 1.85% | 1.85% |
| Net expense | 1.85% | 0.50% | 1.51% | 0.94% |
| Net investment income (loss) | 2.60% | 0.82% | 2.78% | (0.31)% |

- (a) The Fund and Trust commenced investment operations on January 12, 2022. Prior to that date, the Fund did not hold any investments.
(b) Calculated using the average shares method.
(c) Not annualized
(d) Annualized

NOTE 7 – RISK

Correlation and Compounding Risk

The Fund does not seek to achieve its 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 the 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 one-half the maximum inverse (-0.5x) of the Fund's benchmark for the period. The Fund will lose money if its benchmark performance is flat over time, and it is possible for the Fund to lose money over time even if the performance of its benchmark decreases, 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 the 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 the Fund is held and the volatility of the benchmark during the holding period of such investment. Longer holding periods, higher benchmark volatility, inverse exposure and greater leverage each affect the impact of compounding on the Fund's returns. Daily compounding of the 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 the Fund's return for a period as the return of the Fund's underlying benchmark.

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While the Fund seeks to meet its investment objective, there is no guarantee the Fund will do so. Factors that may affect the 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 the Fund's objective; (2) an imperfect correlation between the performance of the financial instruments held by the 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) the 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 the 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 the Fund trade, resulting in the inability of the Fund to execute intended portfolio transactions; (10) accounting standards; and (11) differences caused by the 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 the Fund's ability to achieve a high degree of correlation with its benchmark, and there can be no guarantee that the Fund will achieve a high degree of correlation. Failure to achieve a high degree of correlation may prevent the Fund from achieving its investment objective. In order to achieve a high degree of correlation with their underlying benchmarks, the Fund seeks to rebalance its portfolios daily to keep exposure consistent with their investment objectives. Being materially under- or over-exposed to the benchmark may prevent the Fund from achieving a high degree of correlation with such benchmark. Market disruptions or closure, large amounts of assets into or out of the Fund, regulatory restrictions, extreme market volatility, and other factors will adversely affect the Fund's 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 the Fund's portfolio. Because of this, it is unlikely that the Fund will be perfectly exposed (i.e., -0.5x) 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.

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Counterparty Risk

The 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 its investment objectives. The use of derivatives by the 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 Fund 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 Fund, the markets in which the 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 that may be entered into by the Fund. Investors, therefore, may not receive the protection of CFTC regulation or the statutory scheme of the CEA in connection with the 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

When the Fund enters into futures 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.

DYNAMIC SHARES TRUST
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
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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 Fund;
- not posting margin directly with a counterparty;
- requiring that the counterparty posts collateral in amounts approximately equal to that owed to the Fund, as marked to market daily, subject to certain minimum thresholds; and
- limiting the amount of margin or premium posted at a Futures Commission Merchant (“FCM”).

Any OTC derivatives of the type that may be utilized by the Fund 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.

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 the Fund may change at any time. Each day, the Fund discloses its portfolio holdings as of the prior Business Day. The 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.dynamicsharesetf.com. The information on the Sponsor’s website is for information only and is not incorporated by reference herein.

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

DYNAMIC SHARES TRUST
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
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Leverage Risk

The Fund's investment in derivative instruments generally requires a small investment relative to the amount of investment exposure assumed. As a result, such investments may give rise to losses that exceed the amount invested in those instruments. The more the Fund invests in derivative instruments that give rise to leverage, the more this leverage will magnify any losses on those investments. Leverage will cause the value of the Fund's Shares to be more volatile than if the Fund did not use leverage. This is because leverage tends to exaggerate the effect of any increase or decrease in the value of the Fund's portfolio or other investments. The use of leverage also may cause the Fund to liquidate portfolio positions when it would not be advantageous to do so to satisfy its obligations or to meet segregation requirements. Certain types of leveraging transactions, such as short sales that are not "against the box," could theoretically be subject to unlimited losses in cases where the Fund, for any reason, is unable to close out the transaction. In addition, to the extent the Fund borrows money, interest costs on such borrowed money may not be recovered by any appreciation of the financial instruments purchased with the borrowed funds and could exceed the Fund's investment income, resulting in greater losses. The cost of investing in such instruments generally increases as interest rates increase, which will lower the Fund's return.

Liquidity Risk

The Fund will invest in derivatives and other instruments that may be less liquid than other types of investments. Investments that are less liquid or that trade less can be more difficult or costlier to buy, or to sell, compared to other more liquid or active investments. This liquidity risk is a factor of the trading volume of a particular investment, as well as the size and liquidity of the market for such an investment. The derivatives in which the Fund invests may not always be liquid. The large size of the positions which the Fund may acquire increases the risk of illiquidity both by making its 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 Fund will typically invest in financial instruments related to one index. A lack of liquidity could have a negative effect on the Fund's ability to achieve its investment objective and may result in losses to Fund shareholders.

"Contango" and "Backwardation" Risk

The futures contracts held by the Fund, as the futures contracts near expiration, 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. The presence of contango (where prices of contracts are higher in the distant delivery months than in the nearer delivery months due to the costs of long-term storage of a physical commodity prior to delivery or other factors) in certain futures contracts at the time of rolling would be expected to positively affect the Fund. Similarly, the presence of backwardation in certain futures contracts at the time of rolling such contracts would be expected to adversely affect the Fund.

DYNAMIC SHARES TRUST
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
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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 VIX Futures Index.

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 mentioned herein, 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 Fund and its investments. A climate of uncertainty and panic, including the contagion of infectious viruses or diseases, may adversely affect global, regional, and local economies and increase the difficulty of modeling market conditions, potentially reducing the accuracy of financial projections. Under these circumstances, the Fund may have difficulty achieving its investment objective 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 Fund’s 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 Fund’s investments. For instance, prior to the COVID-19 epidemic, the Sponsor anticipated a lower “breakeven amount” for the Fund because the Sponsor expected interest income from the Fund’s investments to offset the Fund’s estimated fees, costs and expenses. Due to market conditions following the COVID-19 epidemic, the Fund’s interest income is assumed to be zero, and the amount of trading income the Fund needs to achieve to breakeven is higher than the Sponsor anticipated prior to the COVID-19 epidemic. Additionally, during the peak of the COVID-19 epidemic, certain state and local governments enacted stay-at-home/shelter-at-home orders, causing certain agents of the Sponsor and its third party service providers to enact business continuity measures, such as requiring or permitting employees to work from home.

DYNAMIC SHARES TRUST
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
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These factors can cause substantial market volatility, exchange trading suspensions and closures and can impact the ability of the Fund 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 the 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 Russian Federation's invasion of Ukraine in February 2022 (the "Ukraine War"), various nations, including the U.S., have instituted economic sanctions and other responsive measures, which have resulted in an increased level of global economic and political uncertainty. Given the evolving nature of the Ukraine War, and the related sanctions, potential governmental actions, and economic impact, the scope and magnitude of any such potential effects remain uncertain.

NOTE 8 – CONCENTRATION OF RISK

The Fund currently invests a significant portion of its assets in the Goldman Sachs Financial Square Government Fund. The Fund may redeem its investment at any time if the Advisor determines that it is in the best interest of the Fund and its shareholders to do so. The financial statements of the Goldman Sachs Financial Square Government Fund, including the portfolio of investments, can be found at www.sec.gov, and should be read in conjunction with the Fund's financial statements.

NOTE 9 – SUBSEQUENT EVENTS

Management has evaluated subsequent events existing in the Trust's and the Fund's financial statements through the date the financial statements were issued. Management has determined that there are no material events that would require disclosure in the Trust's or the Funds' financial statements through this date.

Item 2. 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 Quarterly Report on Form 10-Q.

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, 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, 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 Fund's control. The Fund's forward-looking statements are not guarantees of future results and conditions and important factors, risks and uncertainties in the markets for financial instruments in which the Fund may trade, in the legal and regulatory regimes applicable to the Sponsor, the Fund, and the Fund's service providers, and in the broader economy may cause the actual results of the Fund to differ materially from those expressed in forward-looking statements.

Introduction

Dynamic Shares Trust (the "Trust") is a Delaware statutory trust organized on March 8, 2019 and is currently organized into a single series (the "Fund") which commenced investment operations on January 12, 2022. The Fund issues common units of beneficial interest ("Shares"), which represent units of fractional undivided beneficial interest in and ownership of the Fund. The Shares of the Fund began trading on the NYSE Arca, Inc. ("NYSE Arca") as of January 13, 2022.

The Fund seeks to achieve its investment objective, under normal circumstances, by obtaining investment exposure to an actively managed portfolio of short positions in VIX Futures Contracts, which are based on the CBOE VIX Index. The Fund expects that the notional exposure of its portfolio of short positions in VIX Futures Contracts will range from -0.1 to -0.5 under normal circumstances. The Fund expects to primarily take short positions in VIX Futures Contracts by shorting near term VIX Futures Contracts and rolling the nearest month VIX Futures Contract to the next month on a daily basis. As such, the Fund expects to have a constant one-month rolling short position in first and second month VIX Futures Contracts under normal circumstances.

The Fund continuously offers and redeems its Shares in blocks of 50,000 Shares (each such block a "Creation Unit"). Only Authorized Participants may purchase and redeem Shares from the Fund and then only in Creation Units. An Authorized Participant is an entity that has entered into an Authorized Participant Agreement with the Fund. Shares of the Fund are offered to Authorized Participants in Creation Units at the Fund's 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 that varies depending on, among other factors, the trading price of the Shares of the Fund on its listing exchange, the NAV and the supply of and demand for the Shares at the time of the offer. Shares from the same Creation Unit may be offered at different times and may have different offering prices based upon the above factors. The form of Authorized Participant Agreement and related Authorized Participant Handbook set forth the terms and conditions under which an Authorized Participant may purchase or redeem a Creation Unit. Authorized Participants do not receive from the Fund, the Sponsor, or any of their affiliates, any underwriting fees or compensation in connection with their sale of Shares to the public.

Results of Operations

Fund Performance

The following table provides summary performance information for the Fund for the three months ended September 30, 2023, the three months ended September 30, 2022, the nine months ended September 30, 2023, and the nine months ended September 30, 2022.

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|-----------------------------------------|-------------------------------------|--------------|------------------------------------|-----------|
| | 2023 | 2022 | 2023 | 2022(a) |
| Net Assets beginning of period | \$ 3,714,577 | \$ 2,174,240 | \$ 2,722,929 | \$ 100 |
| Net Assets end of period | 5,101,435 | 2,276,363 | 5,101,435 | 2,276,363 |
| Percentage change in net assets | 37.34% | 4.70% | 87.35% | N/A |
| Shares outstanding beginning of period | 150,005 | 150,005 | 150,005 | 5 |
| Shares outstanding end of period | 200,005 | 150,005 | 200,005 | 150,005 |
| Percentage change in shares outstanding | 33.33% | 0.00% | 33.33% | N/A |
| Shares created | 50,000 | - | 50,000 | 150,000 |
| Shares redeemed | - | - | - | - |
| Per share NAV beginning of period | \$ 24.76 | \$ 14.49 | \$ 18.15 | \$ 20.00 |
| Per share NAV end of period | \$ 25.51 | \$ 15.18 | \$ 25.51 | \$ 15.18 |
| Percentage change in per share NAV | 3.03% | 4.76% | 40.55% | (24.10)% |

(a) The Fund and Trust commenced investment operations on January 12, 2022. Prior to that date, the Fund and Trust did not hold any investments.

The Fund is actively managed and does not track an index.

The Fund's per share NAV increased by 3.03% for the three months ended September 30, 2023. Performance over time is also impacted by the compounding effect of the inverse or leveraged returns. For instance, if the 30-day weighted VIX futures price was down 20% and then up 20%, the two-day period return for a theoretical -0.5 inversed fund would be equal to a $(1.1*0.9)-1 = -1\%$ period return. As the 30-day weighted VIX futures price goes up, the fund would lock in trading losses and leave the fund with a smaller asset base. The Fund's per share NAV increased by 4.76% for the three months ended September 30, 2022. The increase in the Fund's per share NAV was due in part to the increase in the 30 day weighted average VIX futures prices over the period. Performance over time is also impacted by the compounding effect of the inverse or leveraged returns. For instance, if the 30-day weighted VIX futures price was down 20% and then up 20%, the two-day period return for a theoretical -0.5 inversed fund would be equal to a $(1.1*0.9)-1 = -1\%$ period return. As the 30-day weighted VIX futures price goes up, the fund would lock in trading losses and leave the fund with a smaller asset base.

Net Income/Loss

The following table provides summary income information for the Fund for the three months ended September 30, 2023, the three months ended September 30, 2022, the nine months ended September 30, 2023, and the nine months ended September 30, 2022.

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|------------------------------------------------------|-------------------------------------|----------|------------------------------------|------------|
| | 2023 | 2022 | 2023 | 2022(a) |
| Net investment income (loss) | \$ 29,752 | \$ 4,876 | \$ 74,375 | \$ (5,455) |
| Net Management fee | 21,149 | 3,075 | 40,428 | 16,279 |
| Net realized gain (loss) | 311,010 | 155,815 | 1,198,945 | (706,217) |
| Change in net unrealized appreciation (depreciation) | (195,249) | (58,568) | (136,158) | (11,762) |
| Net Income (loss) from operations | 145,513 | 102,123 | 1,137,161 | (723,434) |

(a) The Fund commenced investment operations on January 12, 2022. Prior to that date, the Fund did not hold any investments.

Liquidity and Capital Resources

In order to collateralize derivatives positions in indices, commodities or currencies, a portion of the NAV of the 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, whether denominated in U.S. dollars or the applicable foreign currency with respect to a Currency Fund). 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 the Fund varies from period to period as the market values of the underlying swaps, futures contracts and forward contracts change. During the three months ended September 30, 2023, the three months ended September 30, 2022, the nine months ended September 30, 2023 and the nine months ended September 30, 2022, the Fund earned interest income as follows:

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|-----------------|-------------------------------------|----------|------------------------------------|-----------|
| | 2023 | 2022 | 2023 | 2022(a) |
| Interest Income | \$ 50,901 | \$ 7,951 | \$ 114,802 | \$ 10,824 |

(a) The Fund commenced investment operations on January 12, 2022. Prior to that date, the Fund did not hold any investments.

The Fund's underlying futures contracts, as applicable, may be subject to periods of illiquidity because of market conditions, regulatory considerations and other reasons. For example, 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 the Fund from promptly liquidating its futures positions.

The potentially large size of the positions which the Fund may acquire increases the risk of illiquidity by both making the 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 Fund will be related to one benchmark, which may be highly concentrated.

Because the Fund 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 the Fund entering into contractual commitments to purchase or sell a volatility product underlying the Fund's benchmark at a specified date and price, should it hold such derivative contract into the deliverable period. Should the 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 3. Quantitative and Qualitative Disclosures About Market Risk" in this Quarterly Report on Form 10-Q.

Credit Risk

When the Fund enters into futures 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.

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 Fund;
- not posting margin directly with a counterparty;
- requiring that the counterparty posts collateral in amounts approximately equal to that owed to the Fund, as marked to market daily, subject to certain minimum thresholds; and
- limiting the amount of margin or premium posted at a FCM.

Cash and Cash Equivalents Risk.

At any time, the Fund may have significant investments in cash or cash equivalents. When a substantial portion of a portfolio is held in cash or cash equivalents, there is the risk that the value of the cash account, including interest, will not keep pace with inflation, thus reducing purchasing power over time.

Off-Balance Sheet Arrangements and Contractual Obligations

As of November 14, 2023, the Fund has not used, nor is it anticipated that the Fund will use such arrangements 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 Fund. While the Fund's exposure under such indemnification provisions cannot be estimated, these general business indemnifications are not expected to have a material impact on the Fund's financial position.

Management fee payments made to the Sponsor are calculated as a fixed percentage of the 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 Fund's application of these policies involves judgments and actual results may differ from the estimates used.

The Trust is an "emerging growth company," as defined in the Jumpstart Our Business Startups ("JOBS") 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 \$1.07 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."

In addition, Section 107 of the JOBS Act also provides that an emerging growth company can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act for complying with new or revised accounting standards. In other words, an emerging growth company can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. The Trust intends to take advantage of the benefits of the extended transition period.

The Fund has significant exposure to futures 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 Fund's 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).

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 are generally valued at the last settled price on the applicable exchange on which that future trades. For financial reporting purposes, all futures contracts are valued at last settled price. Futures contracts valuations are typically categorized as Level I in the fair value hierarchy. Swap agreements, forward agreements and foreign currency forward contracts valuations are typically categorized as Level II in the fair value hierarchy. The Sponsor may in its sole discretion choose to determine a fair value price as the basis for determining the market value of such position. Such fair value prices would be generally determined based on available inputs about the current value of the underlying financial instrument or commodity and would be based on principles that the Sponsor deems fair and equitable so long as such principles are consistent with normal industry standards. The Sponsor may fair value an asset of the Fund pursuant to the policies the Sponsor has adopted, which are consistent with normal industry standards. Depending on the source and relevant significance of valuation inputs, these instruments may be classified as Level II or Level III in the fair value hierarchy.

Fair value pricing may require subjective determinations about the value of an investment. While the 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 Fund 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 the 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 Fund discloses 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.

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

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Quantitative Disclosure

Exchange Rate Sensitivity, Equity Market Volatility Sensitivity, and Commodity Price Sensitivity

The Fund is exposed to equity market volatility risk through its holdings of VIX futures contracts. The table below provides information about the holdings of the Fund.

As of September 30, 2023, the Fund's futures positions were as follows:

Futures Positions as of September 30, 2023

| <u>Contract</u> | <u>Long or Short</u> | <u>Expiration</u> | <u>Contracts</u> | <u>Valuation Price</u> | <u>Contract Multiplier</u> | <u>Notional Amount at Value</u> | <u>Unrealized</u> |
|-----------------|----------------------|-------------------|------------------|------------------------|----------------------------|---------------------------------|-------------------|
| VIX Futures | Short | October 2023 | (58) | \$ 17.77 | 1,000 | \$ (1,030,730) | \$ (88,080) |
| VIX Futures | Short | November 2023 | (39) | 18.25 | 1,000 | (711,606) | (5,915) |

As of September 30, 2022, the Fund's positions were as follows:

Futures Positions as of September 30, 2022

| <u>Contract</u> | <u>Long or Short</u> | <u>Expiration</u> | <u>Contracts</u> | <u>Valuation Price</u> | <u>Contract Multiplier</u> | <u>Notional Amount at Value</u> | <u>Unrealized</u> |
|-----------------|----------------------|-------------------|------------------|------------------------|----------------------------|---------------------------------|-------------------|
| VIX Futures | Short | October 2022 | (5) | \$ 31.52 | 1,000 | \$ (157,580) | \$ (7,853) |
| VIX Futures | Short | November 2022 | (3) | 31.07 | 1,000 | (93,215) | (3,909) |

Short futures notional values are calculated by multiplying the number of contracts held times the valuation price times the contract multiplier. The short notional values will increase (decrease) proportionally with decreases (increases) in the price of the futures contract. Additional gains (losses) associated with these contracts will be equal to any such subsequent decreases (increases) in short notional values, before accounting for spreads or transaction or financing costs. The Fund will generally attempt to adjust its position in Financial Instruments each day to have \$0.50 of short exposure to the Index for every \$1.00 of net assets. Future period returns, before fees and expenses, cannot be estimated simply by estimating the return of the Index and multiplying by negative one-half.

The Fund's performance for periods greater than a single day will be the result of each day's returns compounded over the period. A "single day" is measured from the time a Fund calculates its net asset value to the time of the Fund's next net asset value calculation. As a consequence, the return for investors that invest for a period different than a trading day will not be the product of the return of the Fund's stated daily inverse investment objective. Particularly, during periods of high volatility, the Fund may not perform as expected, and the Fund may have losses when an investor may have expected gains if the Fund is held for a period that is different than one trading day.

Compounding affects all investments, but has a more significant impact on an inverse fund, such as the Fund. This effect becomes more pronounced as volatility increases.

Qualitative Disclosure

The investment objective of the Fund to seek daily investment results, before fees and expenses, which correspond to a multiple, the inverse or an inverse multiple of the daily performance, of its corresponding benchmark. The Fund seeks daily investment results, before fees and expenses, that correspond to one-tenth the inverse (-0.1x) or the inverse (-0.5x) of the daily performance of its corresponding benchmark. The Fund does not seek to achieve these stated investment objectives over a period of time greater than a single day because mathematical compounding prevents the Fund from achieving such results. Performance over longer periods of time will be influenced not only by the cumulative period performance of the corresponding benchmark but equally by the intervening volatility of the benchmark as well as fees and expenses, including costs associated with the use of financial instruments such as financing costs and trading spreads. Future period returns, before fees and expenses, cannot be estimated simply by estimating the percent change in the corresponding benchmark and multiplying by negative three, negative two, negative one, negative one-half, one, one and one-half, two or three. Shareholders who invest in the Fund should actively manage and monitor their investments, as frequently as daily.

Equity Market Volatility Sensitivity

VIX Futures Contracts are unlike traditional futures contracts and are not based on a tradable reference asset. The VIX Index is not directly investable, and the settlement price of a VIX Futures Contract is based on the calculation that determines the level of the VIX Index. As a result, the behavior of a VIX Futures Contract may be different from traditional futures contracts whose settlement price is based on a specific tradable asset. In addition, when economic uncertainty increases and there is an associated increase in expected volatility, the value of VIX Futures Contracts will likely also increase. Similarly, when economic uncertainty recedes and there is an associated decrease in expected volatility, the value of VIX Futures Contracts will likely also decrease. When the Fund has an open futures contract position, it is subject to daily variation margin calls that could be substantial in the event of adverse price movements. Because futures require only a small initial investment in the form of a deposit or margin, they involve a high degree of leverage. If the Fund has insufficient cash to meet daily variation margin requirements, it might need to sell portfolio investments 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 the Fund's NAV. Futures contracts are also subject to liquidity risk.

Several factors may affect the price and/or liquidity of VIX Futures Contracts, including, but not limited to: prevailing market prices and forward volatility levels of the U.S. stock markets, the S&P 500®, the equity securities included in the S&P 500® and prevailing market prices of options on the S&P 500®, the VIX Index, options on the VIX Index, VIX Futures Contracts, or any other financial instruments related to the S&P 500® and the VIX Index or VIX Futures Contracts; interest rates, economic, financial, political, regulatory, geographical, biological or judicial events that affect the current volatility reading of the VIX Index or the market price or forward volatility of the U.S. stock markets, the equity securities included in the S&P 500®, the S&P 500®, the VIX Index or the relevant futures or option contracts on the VIX Index; supply and demand as well as hedging activities in the listed and over-the-counter (“OTC”) equity derivatives markets; disruptions in trading of the S&P 500®, futures contracts on the S&P 500® or options on the S&P 500®; and the level of contango or backwardation in the VIX Futures Contracts market. These factors interrelate in complex ways, and the effect of one factor on the market value of the Fund may offset or enhance the effect of another factor.

In addition, the policies of S&P and the CBOE and changes that affect the composition and valuation of the S&P 500® and the VIX Index could affect the level of such indexes and/or the value of VIX Futures Contracts and, therefore, the value of the Fund’s Shares. For example, shareholders will lose money when the values of the VIX Futures Contracts rise, and a single day or intraday increase in the level of the VIX Futures Contracts approaching 200% could result in the total loss or almost total loss of an investor’s investment (“Inverse Exposure Risk”).

Managing Market Risks

The Fund’s exposure to market risk will be influenced by a number of factors, including the liquidity of the markets in which the financial instruments it holds are traded and the relationships among the financial instruments held. The inherent uncertainty of the trading of the Fund as well as the development of drastic market occurrences could ultimately lead to a loss of all or substantially all of investors’ capital.

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. The 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 clearing house 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 the Fund to deposit collateral in excess of the clearing house’s margin requirements for the FCM’s own protection.

Certain futures contracts, including VIX 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, 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 the Fund agrees to pay to or receive from FCMs equal to the daily fluctuation in the value of a futures contract. With futures contracts, there is minimal but some counterparty risk to the Fund since futures contracts are exchange traded and the exchange's clearinghouse, 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 the Fund to substantial losses. If trading is not possible or if the 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.

Item 4. 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 Fund's disclosure controls and procedures, and have concluded that the disclosure controls and procedures of the Trust and the Fund (as defined in Rules 13a-15(e) and 15d-15(e) under the 1934 Act) were effective, as of September 30, 2023, including providing 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 Fund is recorded, processed, summarized and reported, within the time periods specified in the applicable 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.

Changes in Internal Control over Financial Reporting

There were no changes in the Trust's or the Fund's internal control over financial reporting that occurred during the quarter ended September 30, 2023 that have materially affected, or are reasonably likely to materially affect, the Trust's or the Fund's 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 Quarterly Report on Form 10-Q, apply both to the Trust taken as a whole and the 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 the Fund.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

None.

Item 1A. Risk Factors

In addition to the risks described below, please Refer to Part I, Item 1A: Risk Factors of the Fund's 2022 Form 10-K for a discussion of certain risk factors affecting the Fund.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits

| <u>Exhibit No.</u> | <u>Description of Document</u> |
|--------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 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 is filed herewith. |
| 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 is filed herewith. |
| 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 is filed herewith. |
| 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 is filed herewith. |
| 101.INS | Inline XBRL Instance Document is filed herewith. |
| 101.SCH | Inline XBRL Taxonomy Extension Schema is filed herewith. |
| 101.CAL | Inline XBRL Taxonomy Extension Calculation Linkbase is filed herewith. |
| 101.DEF | Inline XBRL Taxonomy Extension Definition Linkbase is filed herewith. |
| 101.LAB | Inline XBRL Taxonomy Extension Label Linkbase is filed herewith. |
| 101.PRE | Inline XBRL Taxonomy Extension Presentation Linkbase is filed herewith. |
| 104.1 | Cover Page Interactive Data File – The cover page interactive data file does not appear in the interactive data file because its XBRL tags are embedded within the inline XBRL document. |

* These certifications are furnished to the SEC pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and are deemed not filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, nor shall they be deemed incorporated by reference in any filing under the Securities of 1933, as amended, except as shall be expressly set forth by specific reference in such filing.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned in the capacities indicated thereunto duly authorized.

DYNAMIC SHARES TRUST

By: /s/ Weixuan Zhang
Name: Weixuan Zhang
Title: Principal Executive Officer
Date: November 14, 2023

By: /s/ Xinyu Jiang
Name: Xinyu Jiang
Title: Principal Financial Officer and
Principal Accounting Officer
Date: November 14, 2023

**Certification of Principal Executive Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Weixuan Zhang, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Dynamic Shares Trust and Dynamic Short Short-Term Volatility Futures ETF;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15 (e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 14, 2023

By: /s/ Weixuan Zhang
Name: Weixuan Zhang
Title: Principal Executive Officer
Dynamic Shares Trust

**Certification of Principal Financial Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Xinyu Jiang, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Dynamic Shares Trust and Dynamic Short Short-Term Volatility Futures ETF;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15 (e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 14, 2023

By: /s/ Xinyu Jiang
Name: Xinyu Jiang
Title: Principal Financial Officer and Principal Accounting Officer
Dynamic Shares

**Certification of Principal Executive Officer
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with this Quarterly Report on Form 10-Q for the quarter ended September 30, 2023 (the "Report") of Dynamic Shares Trust (the "Registrant") and Dynamic Short Short-Term Volatility Futures ETF, as filed with the U.S. Securities and Exchange Commission on the date hereof, I, Weixuan Zhang, the Principal Executive Officer of the Registrant, hereby certify, to the best of my knowledge, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

Date: November 14, 2023

By: /s/ Weixuan Zhang
Name: Weixuan Zhang
Title: Principal Executive Officer
Dynamic Shares Trust

**Certification of Principal Executive Officer
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with this Quarterly Report on Form 10-Q for the quarter ended September 30, 2023 (the "Report") of Dynamic Shares Trust (the "Registrant") and Dynamic Short Short-Term Volatility Futures ETF, as filed with the U.S. Securities and Exchange Commission on the date hereof, I, Xinyu Jiang, the Principal Financial and Accounting Officer of the Registrant, hereby certify, to the best of my knowledge, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

Date: November 14, 2023

By: /s/ Xinyu Jiang
Name: Xinyu Jiang
Title: Principal Financial Officer and Principal Accounting Officer
Dynamic Shares Trust
