Liquid Strategies™

Overlay Shares Quarterly Review

As of September 30, 2026



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Fund Overviews

The Overlay Shares suite of ETFs seeks to provide incremental yield on top of low-cost market beta ETFs by utilizing a risk-controlled put spread writing strategy ("the Overlay Strategy") on the S&P 500 Index. If successful, the ETFs seek to provide incremental yield and the potential for higher total return relative to each Fund's applicable reference index. The Overlay Strategy is applied and managed the same way in six of the seven **Overlay Shares** funds, with the exception of OVLH:

FUND NAME	BETA EXPOSURE	INCEPTION DATE	GROSS EXPENSE RATIO
Overlay Shares Large Cap Equity ETF (OVL)	U.S. Large Cap Equity	09/30/2019	0.79%
Overlay Shares Small Cap Equity ETF (OVS)	U.S. Small Cap Equity	09/30/2019	0.83%
Overlay Shares Foreign Equity ETF (OVF)	International Equity	09/30/2019	0.83%
Overlay Shares Core Bond ETF (OVB)	Broad Investment Grade Bond	09/30/2019	0.79%
Overlay Shares Municipal Bond ETF (OVM)	Municipal Bond	09/30/2019	0.81%
Overlay Shares Short Term Bond ETF (OVT)	Short Term Corporate Bond	01/14/2021	0.79%
Overlay Shares Hedged Large Cap Equity ETF (OVLH)	Hedged U.S. Large Cap Equity	01/14/2021	0.80%

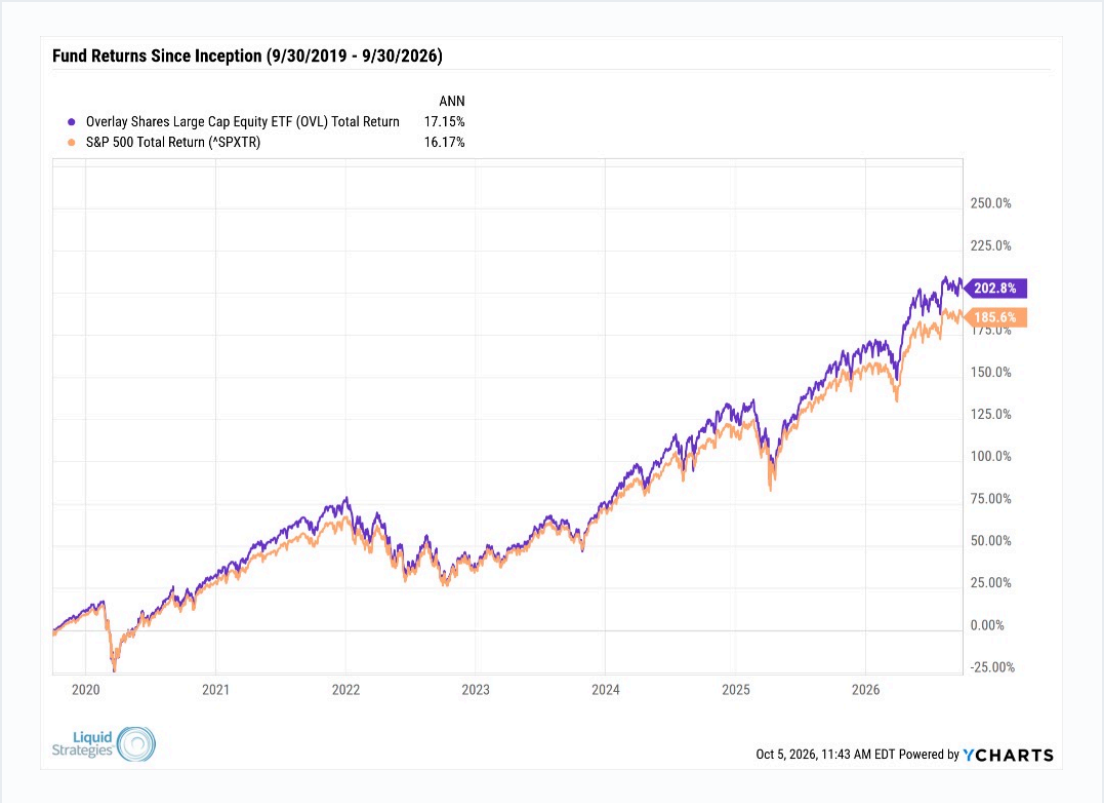
The **Overlay Shares Hedged Large Cap ETF (OVLH)** maintains laddered downside hedges to protect the portfolio against significant market drawdowns.

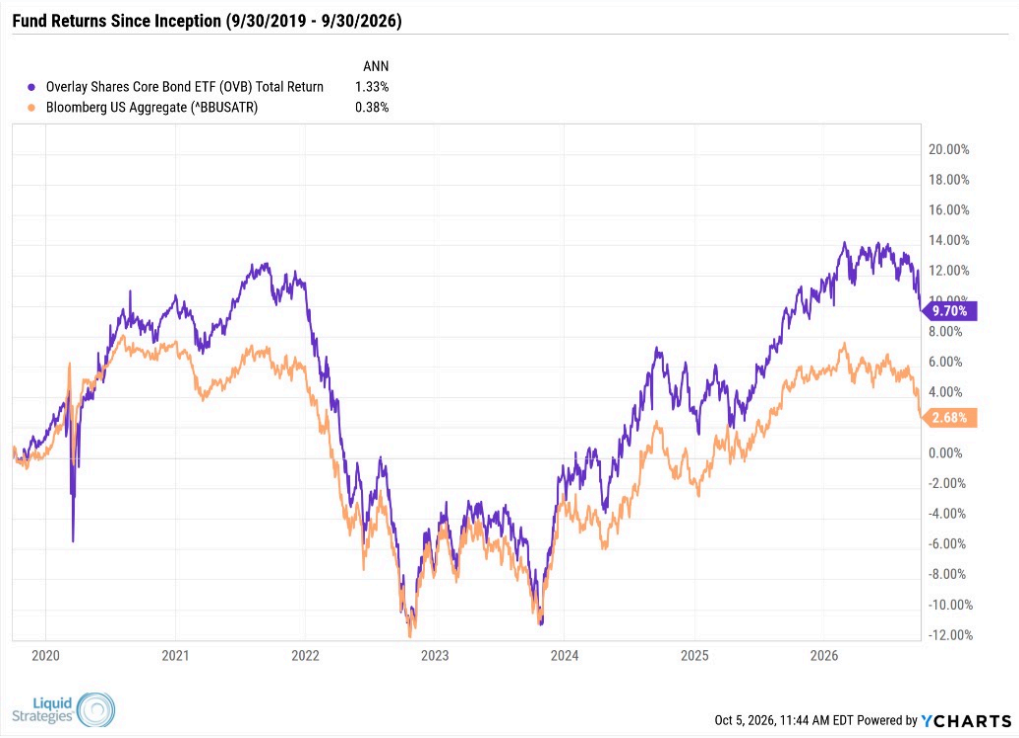
Performance Overview

After a parabolic move higher in Q2 2026, equity markets were quite choppy in Q3 with heightened volatility in interest rates, oil and other commodities. Despite these headwinds, the S&P 500 managed to gain 2.30%. Despite the positive equity returns, the Overlay Strategy utilized in the Overlay Shares suite of ETFs generated a modest loss of about 0.04% as the market choppiness inhibited gains. This resulted in underperformance in the six funds that utilize the Strategy. For example, the **Overlay Shares Large Cap Overlay ETF (OVL)** returned

2.10% (net of fees) versus 2.30% for the S&P 500 Index while paying out a monthly distribution at an annualized rate of 10.53% (as of 9/30/26)[1] and a 30-Day SEC yield of 0.32% (as of 9/30/26). On the fixed income side, the Overlay Shares Core Bond Overlay ETF (OVB) underperformed the benchmark by 0.06%, falling -3.57% (net of fees) versus -3.51% for the Bloomberg U.S. Aggregate Index. Both funds have outperformed their benchmarks since inception.

[1] *The Distribution Rate is the annual return an investor would receive if the most recently declared distribution remained the same going forward. The Distribution Rate may include option income, dividend income, and return of capital. The Distribution Rate represents a single distribution from the Fund and does not represent its total return. 30-Day SEC Yield represents net investment income earned over the prior 30 days, excluding option income, expressed as an annualized percentage.*





> *Performance shown represents cumulative returns since inception and is not standardized. Standardized performance for required periods is provided below. Past performance is not indicative of future results. The S&P 500 Total Return Index is an unmanaged index and does not reflect the deduction of fees or expenses. Indices are not directly comparable to the Fund.*

The **Overlay Shares Hedged Large Cap (OVLH)** does not utilize the Overlay Strategy but instead maintains laddered downside hedges. Unlike the Overlay Strategy, these hedges can result in a drag on returns when equities are rising and volatility is declining. As such, the fund underperformed the S&P 500 Index with a return of 0.73% for the quarter, taking it to 7.05% for the year (net of fees).

Standardized Fund Performance*

	Q3 26	YTD	1 YEAR	3 YEARS	5 YEARS	INCEPTION TO DATE
OVL NAV Returns	2.06%	14.38%	18.11%	24.81%	14.01%	16.96%
OVL Market Price Returns	2.10%	14.43	18.20%	24.89%	13.94%	16.97%
S&P 500 Total Return Index	2.30%	12.75%	15.74%	22.89%	13.79%	16.17%

OVS NAV RETURNS	-8.16%	15.59%	18.00%	16.55%	6.39%	10.75%
OVS Market Price Returns	-8.13%	15.75%	18.26%	16.67%	6.37%	10.79%
S&P 600 Total Return Index	-7.93%	14.08%	16.02%	14.81%	6.22%	10.05%
OVF NAV RETURNS	-0.49%	13.84%	19.36%	21.48%	9.60%	8.82%
OVF Market Price Returns	-0.34%	13.79%	19.43%	21.57%	9.59%	8.83%
MSCI All Country World ex USA Index	0.48%	14.22%	20.00%	20.54%	9.55%	10.52%
OVB NAV RETURNS	-3.70%	-1.33%	0.18%	6.04%	-0.13%	1.35%
OVB Market Price Returns	-3.57%	-1.13%	0.37%	6.05%	-0.18%	1.36%
Bloomberg US Aggregate Bond Index	-3.51%	-2.91%	-1.84%	4.06%	-0.64%	0.38%
OVM NAV RETURNS	-5.34%	-1.57%	0.60%	4.70%	0.56%	1.86%
OVM Market Price Returns	-5.22%	-1.28%	0.75%	4.79%	0.53%	1.89%
Bloomberg Municipal Bond Index	-6.35%	-4.18%	-2.68%	2.89%	-0.21%	0.80%
OVT NAV RETURNS	-1.36%	1.26%	3.09%	7.18%	2.67%	2.65%
OVT Market Price Returns	-1.26%	1.17%	3.25%	7.23%	2.66%	2.67%
Bloomberg US Corporate 1-5 Years TR Index	-1.04%	-0.12%	1.13%	5.24%	2.19%	1.98%
OVLH NAV RETURNS	0.73%	7.05%	8.33%	16.81%	9.35%	10.06%
OVLH Market Price Returns	0.88%	7.00%	8.38%	16.86%	9.27%	10.08%
S&P 500 Total Return Index	2.30%	12.75%	15.74%	22.89%	13.79%	14.69%

**Returns are net of fees*

Total annual operating expense ratio (gross of any fee waivers or expense reimbursements):
OVL 0.79% | OVS 0.83% | OVF 0.83% | OVLH 0.80% | OVB 0.79% | OVT 0.79% | OVM 0.81%
As stated in each Fund's prospectus dated December 31, 2025.

Inception for OVL, OVS, OVF, OVB, OVM is 09/30/2019. Inception for OVLH and OVT is 01/14/2021.

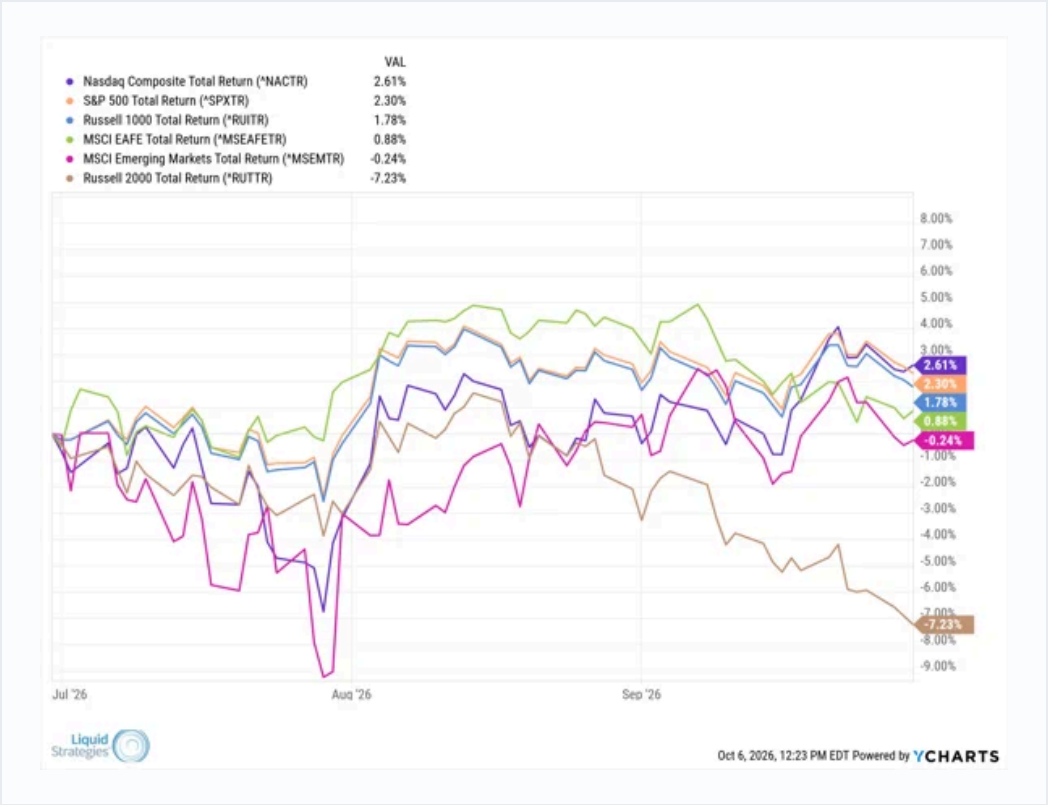
Index comparisons are provided for general informational purposes only and are not indicative of the Fund's performance or strategy. Indices are unmanaged and do not reflect fees or expenses.

Performance data quoted represents past performance and is no guarantee of future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. For the most recent month-end performance, please call 1-866-704-OVLS.

Overlay Shares are bought and sold at market price (not NAV) and are not individually redeemed from the Fund. Total Returns are calculated using the daily 4:00pm EST net asset value (NAV). Market price returns reflect the midpoint of the bid/ask spread as of the close of trading on the exchange where Fund shares are listed. Market price returns do not represent the returns you would receive if you traded shares at other times.

Market Overview

U.S. equities were mixed for the quarter, with energy and healthcare stocks moving higher and interest-rate sensitive sectors moving lower. Small caps were hurt particularly hard as they tend to be more interest-rate sensitive due to larger debt loads. The Russell 2000 Index fell 7.23% for the quarter while the S&P 500 gained 2.30% and the Nasdaq Composite gained 2.61%.



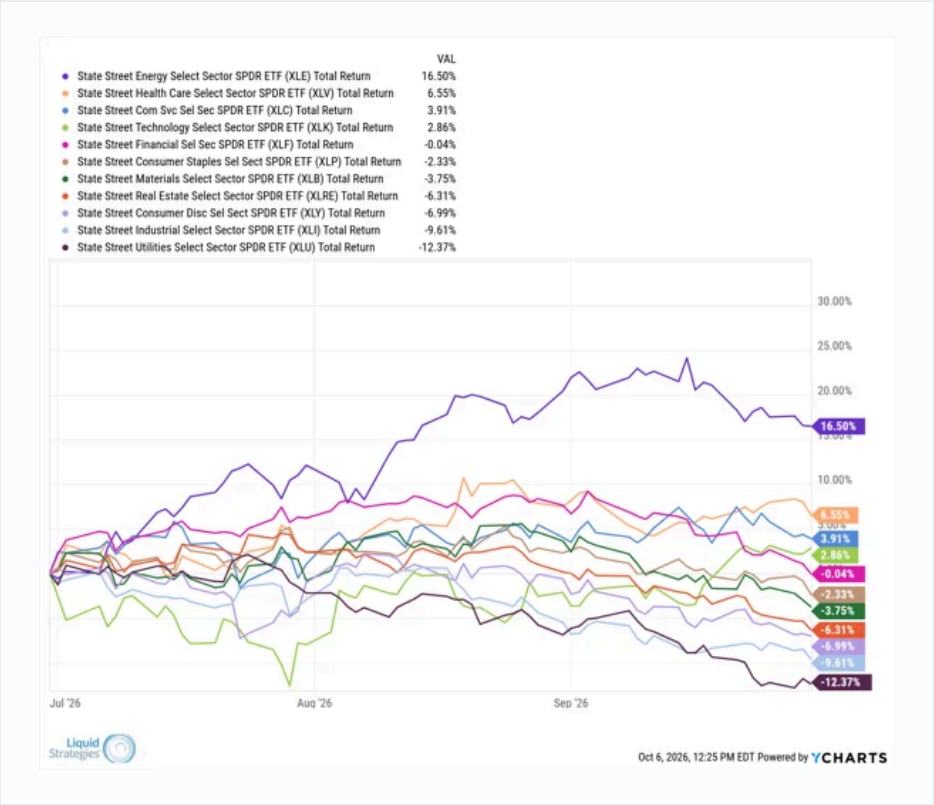
*__Nasdaq Composite Total Return Index__ tracks the performance of thousands of stocks listed on the Nasdaq stock exchange, with a heavy concentration in technology and growth

__Russell 2000 Total Return Index__ measures the performance of small-cap U.S. stocks, including both price changes and reinvested dividends.

__MSCI EAFE Total Return Index__ measures the performance of developed market stocks outside the U.S. and Canada, including reinvested dividends.

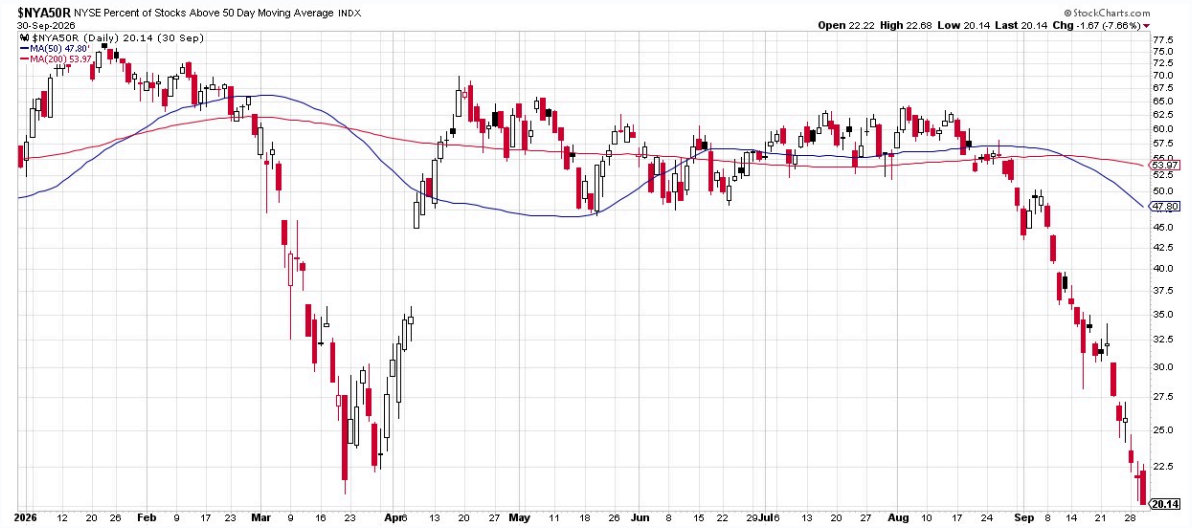
MSCI Emerging Markets Total Return tracks the performance of stocks in emerging market countries, including reinvested dividends.

Indices are not available for direct investment.



Source: YCharts. Returns shown are total returns for the period 6/30/26 through 9/30/26.

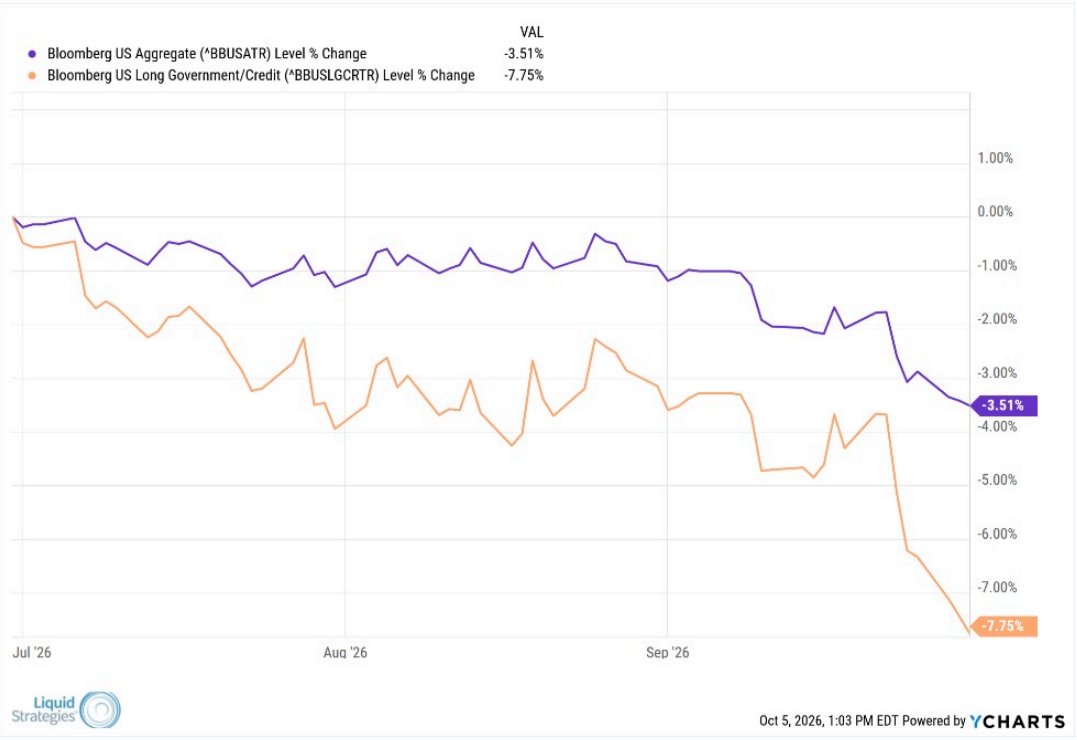
At the sector level, any groups that are exposed to rates moving higher (especially Utilities, Industrials, Consumer Discretionary and Real Estate) were hit hard with Utilities faring the worst with a -12.37% return for the quarter. On the other end, Energy companies have benefitted from the dislocations in the oil and gas markets, gaining 16.50% for the quarter. This barbell-like grouping of winners and losers really helped to mask volatility at the index level. The chart below provides a better look at just how volatile the equity markets have been beneath the surface (it details the percentage of stocks above their 50-day moving averages). Despite the headline Index being higher for the quarter, a “stealth bear market” took place at the single stock level without driving overall market volatility higher (the VIX volatility index remained very subdued).





Bond Yields and the Housing Market

Other than the continued volatility in the energy markets, the biggest story of the quarter may have been the march higher in interest rates as investors continue to price in stronger economic growth and higher inflation. The widely-followed 10-year Treasury Yield rose 4.44% at the end of Q2 to 5.29% on 9/30. Meanwhile, the 30-year yield, after decades of moving lower, has now jumped to levels not seen since the early 2000s. This sharp move higher put significant pressure on bond prices, especially on the longer end of the yield curve.


VAL
Bloomberg US Aggregate (^BBUSATR) Level % Change -3.51%
Bloomberg US Long Government/Credit (^BBUSLGCRTR) Level % Change -7.75%
1.00%
0.00%
-1.00%
-2.00%
-3.00%
-3.51%
-4.00%
-5.00%
-6.00%
-7.00%
-7.75%
Jul '26
Aug '26
Sep '26
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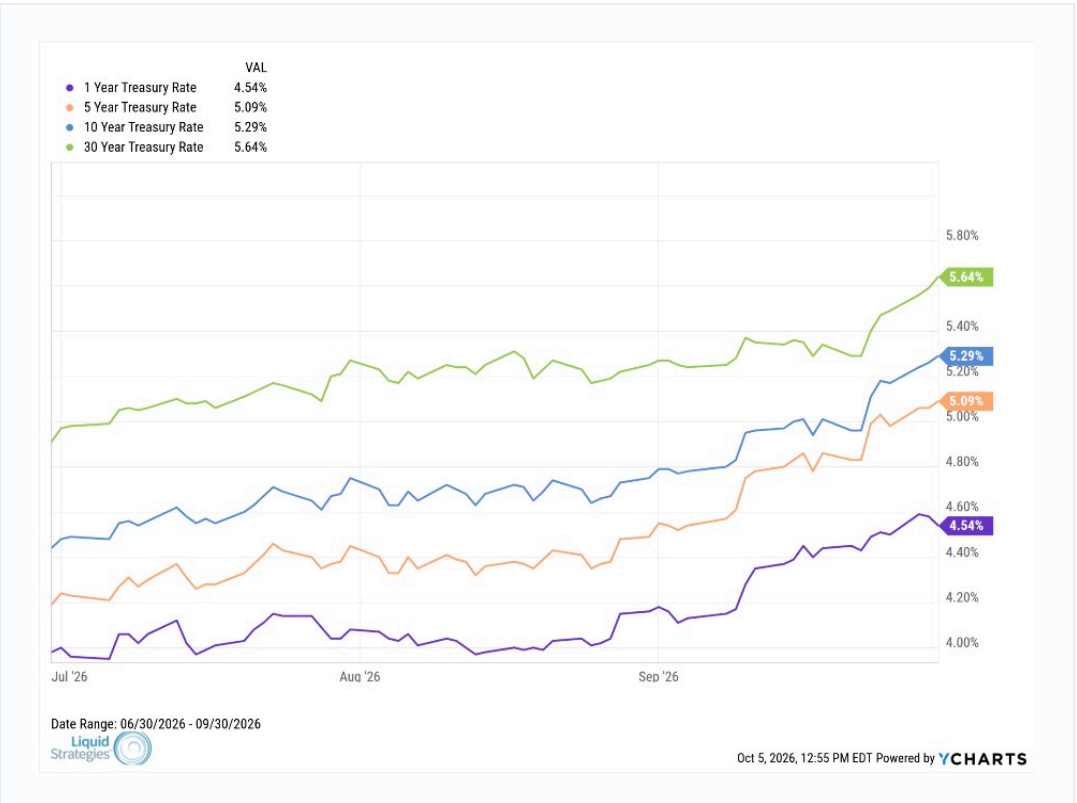
VAL
1 Year Treasury Rate 4.54%
5 Year Treasury Rate 5.09%
10 Year Treasury Rate 5.29%
30 Year Treasury Rate 5.64%
5.80%
5.64%
5.40%
5.29%
5.20%
5.09%
5.00%
4.80%
4.60%
4.54%
4.40%
4.20%
4.00%
Jul '26
Aug '26
Sep '26
Date Range: 06/30/2026 - 09/30/2026
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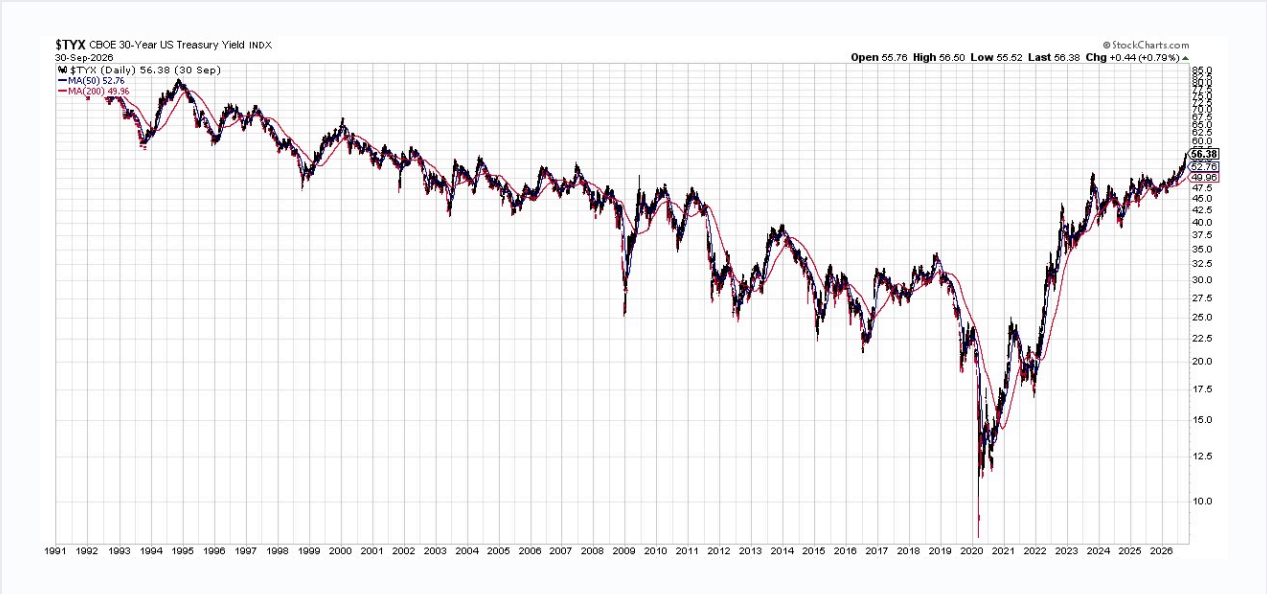
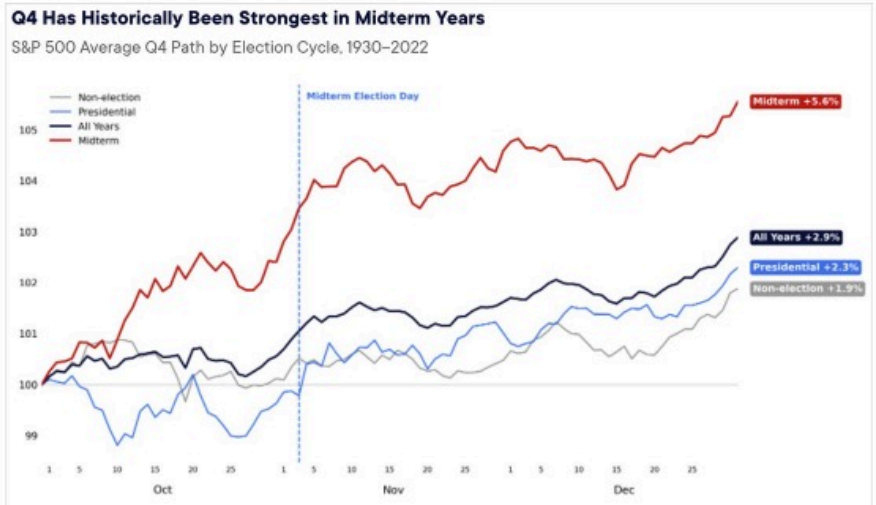


Perhaps the biggest impact this spike has had is in the housing market as strong moves higher in mortgage rates are impacting home affordability for new buyers. This is having a clear effect on new and existing home sales.



LOOKING AHEAD

Since 1930, the S&P 500 has gained an average of 5.6% in the fourth quarter of midterm years, nearly double its 2.9% average across all years.



Source: Bloomberg as compiled by Citadel Securities, Global Market Intelligence, as of September 30, 2026. Figures are for illustrative purposes only. Past performance figures do not guarantee future results.

In addition to concerns about interest rates and energy prices, a common concern we hear is that there could be significant volatility around the midterm elections. While this cycle could obviously end up being an exception, Q4 of midterm cycles have been very strong for equity markets with an average return of 5.6% versus +2.9% for all years. Even the +2.9% highlights the positive seasonality that has historically come in the 4th quarter. Equity markets have a strange ability to "climb a wall of worry" and there are certainly a lot of things worrying investors. Thankfully, we have an investment process that does not rely on making directional calls on the market. Instead, we focus on taking advantage of structural opportunities in equity volatility, including benefitting from excess fear in the market. As always, we are happy to not only do calls and meetings to discuss the performance and outlook of our strategies, but we are also happy to serve as a resource for general questions on market volatility.



Shawn Gibson, Founding Member
Adam Stewart, CFA, Portfolio Manager

View Full Prospectus

Important Disclosures and Risk Factors

Liquid Strategies, LLC ("Liquid") is an independent investment adviser registered with the U.S. Securities and Exchange Commission under the Investment Advisers Act of 1940, as amended. Registration as an investment adviser does not imply any specific level of skill or training. Additional information about Liquid, including our investment strategies, fees, and objectives, is available in our Form ADV Part 2A and our Form CRS.

Options trading involves significant risk and is not suitable for all investors. Options can be highly volatile, may lower total returns, and even well-structured strategies may result in losses due to market conditions or unforeseen events. Before engaging in options trading, investors should carefully review and understand the disclosure document *Characteristics and Risks of Standardized Options*, available at www.theocc.com.

Investing involves risk, including the potential loss of principal. Past performance is not indicative of, and does not guarantee, future results. Investors should consult with a qualified financial and/or tax professional before implementing any investment strategy

Distributions may include return of capital, which represents a return of a portion of an investor's original investment and does not represent earnings or investment income. Return of capital may reduce an investor's tax basis and result in higher capital gains when shares are sold. The amounts and sources of distributions are estimates and are not provided for tax reporting purposes. Final tax characterization is determined after the end of the Fund's fiscal year and may differ from amounts shown. Investors should refer to the Fund's distribution notices for information regarding the estimated sources of distributions and should not draw conclusions about the Fund's investment performance from distribution amounts. There is no guarantee that the Funds will pay distributions in the future, and any distributions made may vary from the current distribution. The Fund may utilize futures and options on broad-based indexes, which are generally treated as Section 1256 contracts for U.S. federal income tax purposes; gains and losses from these instruments may be treated as a combination of long-term and short-term capital gains or losses regardless of holding period. Investors should consult their own tax advisors regarding the tax consequences of an investment in the Fund.

Investors should consider the investment objectives, risks, charges and expenses carefully before investing. For a prospectus or summary prospectus with this and other important information about the Fund, please visit the Documents section of this website or call (866) 704-OVLS. Read the prospectus carefully before investing.

Risk Factors

The Fund invests in options that derive their performance from the performance of the S&P 500 Index. Selling (writing) and buying options are speculative activities and entail greater than ordinary investment risks. The Fund's use of put options can lead to losses because of adverse movements in the price or value of the underlying asset, which may be magnified by certain features of the options. When selling a put option, the Fund will receive a premium; however, this premium may not be enough to offset a loss incurred by the Fund if the price of the underlying asset is below the strike price by an amount equal to or greater than the premium. Purchased put options may expire worthless and the Fund would lose the premium it paid for the option. The Fund may lose significantly more than the premiums it receives in highly volatile market conditions.

The Fund will invest in short term put options which are financial derivatives that give buyers the right, but not the obligation, to sell (put) an underlying asset at an agreed-upon price and date. The Fund's use of options may reduce the Fund's ability to profit from increases in the value of the underlying asset. The Fund could experience a loss or increased volatility if its derivatives do not perform as anticipated or are not correlated with the performance of their underlying asset or if the Fund is unable to purchase or liquidate a position.

Certain statements in this material may be considered forward-looking statements, including statements regarding market conditions, investment outlooks, portfolio positioning, strategy objectives, and expected or potential outcomes. Forward-looking statements are based on current expectations, assumptions, and market views and are subject to change without notice. Actual results may differ materially from those expressed or implied, and there is no assurance that any forecast, projection, objective, or expectation will be achieved. These statements should not be relied upon as investment advice or as a guarantee of future performance.