



Quarterly Fund Review

As of December 31, 2025

A large, dark blue rectangular area with a subtle, wavy pattern of lighter blue lines. The text 'Q4' is centered in a large, white, serif font.

Q4

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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 highly risk-controlled put spread writing strategy ("the Overlay Strategy") on the S&P 500 Index. If successful, the ETFs have the ability to provide higher yield and higher total return than holding the underlying ETFs alone. The Overlay Strategy is applied and managed the same way in six of the seven **Overlay Shares** funds:

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

For the fourth quarter of 2025, equity markets continued their move higher, setting new all-time highs as investors remained optimistic that we will see more rate cuts. These cuts could create a combination of robust economic growth and tame inflation. The S&P 500 Index finished the quarter up 2.65%, bringing the Index to a positive 17.88% for 2025. Small-cap stocks (as measured by the Russell 2000 Index¹) were up 2.19% for the quarter, with the Index posting a 12.81% gain for the year. Non-U.S. stocks, as measured by the MSCI EAFE Index², finished an impressive year with a gain of 4.91% for the quarter and 31.89% for the year.

A combination of rising equity prices and muted equity volatility was supportive for the Overlay Strategy, logging a positive contribution of approximately 0.74%. The gain for the quarter directly contributed to the outperformance of the six funds that utilize the Strategy. 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, returning 1.29% for the quarter and bringing its return to 15.77% for the year.

Fund Performance*

	Q4 '25	YTD	1 YEAR	3 YEARS	5 YEARS	INCEPTION TO DATE
OVL NAV Returns	3.26%	18.07%	18.07%	24.44%	14.71%	16.64%
OVL Market Price Returns	3.29%	17.92%	17.92%	24.52%	14.73%	16.65%
<i>S&P 500 Total Return Index</i>	<i>2.66%</i>	<i>17.88%</i>	<i>17.88%</i>	<i>23.01%</i>	<i>14.42%</i>	<i>16.03%</i>

OVS NAV RETURNS	2.08%	6.19%	6.19%	11.44%	7.54%	9.54%
OVS Market Price Returns	2.17%	6.27%	6.27%	11.44%	7.59%	9.56%
<i>S&P 600 Total Return Index</i>	<i>1.70%</i>	<i>6.02%</i>	<i>6.02%</i>	<i>10.17%</i>	<i>7.31%</i>	<i>9.00%</i>

OVF NAV RETURNS	4.85%	32.94%	32.94%	17.79%	8.02%	7.67%
OVF Market Price Returns	4.95%	33.07%	33.07%	17.72%	8.03%	7.69%
<i>MSCI All Country World ex USA Index</i>	<i>5.05%</i>	<i>32.39%</i>	<i>32.39%</i>	<i>17.33%</i>	<i>7.91%</i>	<i>9.50%</i>

OVB NAV RETURNS	1.52%	7.94%	7.94%	6.26%	0.16%	1.73%
OVB Market Price Returns	1.52%	7.72%	7.72%	6.21%	0.04%	1.71%
<i>Bloomberg U.S. Aggregate Bond Index</i>	<i>1.10%</i>	<i>7.30%</i>	<i>7.30%</i>	<i>4.66%</i>	<i>-0.36%</i>	<i>0.90%</i>

OVM NAV RETURNS	2.21%	4.36%	4.36%	5.01%	1.30%	2.35%
OVM Market Price Returns	2.06%	4.13%	4.13%	4.95%	1.34%	2.33%
<i>Bloomberg Municipal Bond Index</i>	<i>1.56%</i>	<i>4.25%</i>	<i>4.25%</i>	<i>3.88%</i>	<i>0.80%</i>	<i>1.58%</i>

OVT NAV RETURNS	1.81%	7.46%	7.46%	7.54%	--	2.79%
OVT Market Price Returns	2.05%	7.62%	7.62%	7.59%	--	2.84%
<i>Bloomberg US Corporate 1-5 Years TR Index</i>	<i>1.26%</i>	<i>6.81%</i>	<i>6.81%</i>	<i>5.98%</i>	<i>--</i>	<i>2/30%</i>

OVLH NAV RETURNS	1.20%	15.55%	15.55%	17.03%	--	10.14%
OVLH Market Price Returns	1.29%	15.77%	15.77%	17.04%	--	10.18%
<i>S&P 500 Total Return Index</i>	<i>2.66%</i>	<i>17.88%</i>	<i>17.88%</i>	<i>23.01%</i>	<i>--</i>	<i>14.29%</i>

**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.

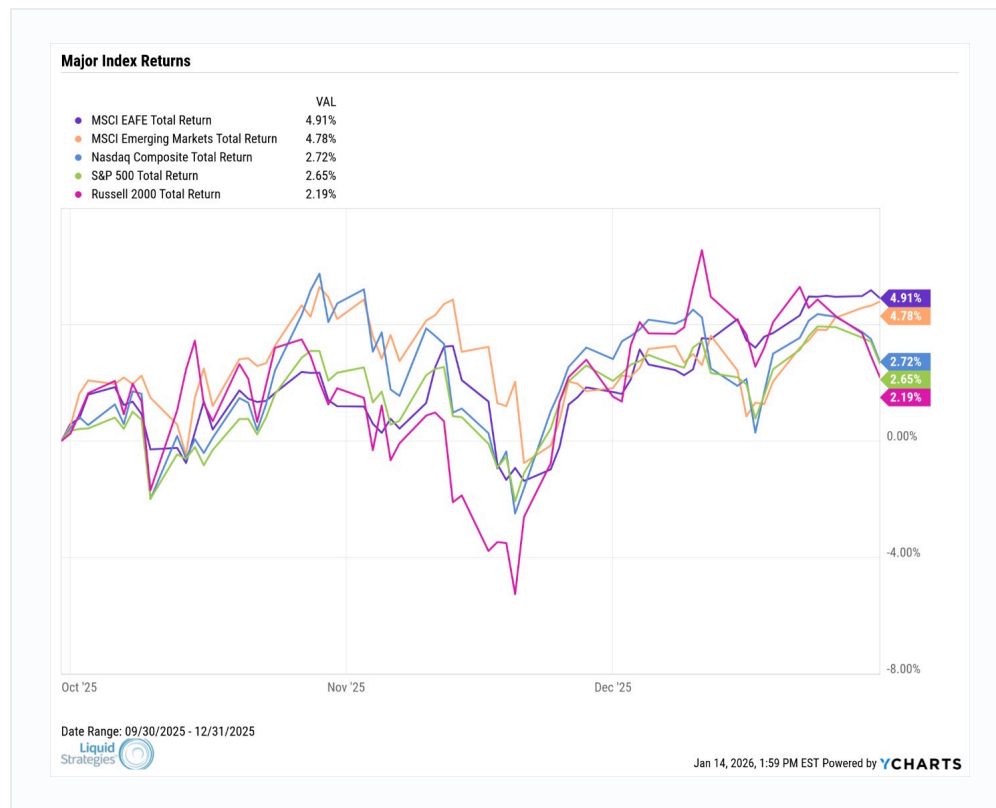
Inception for OVL, OVS, OVF, OVB, OVM is 09/30/2019. Inception for OVLH and OVT is 01/14/2021.

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.

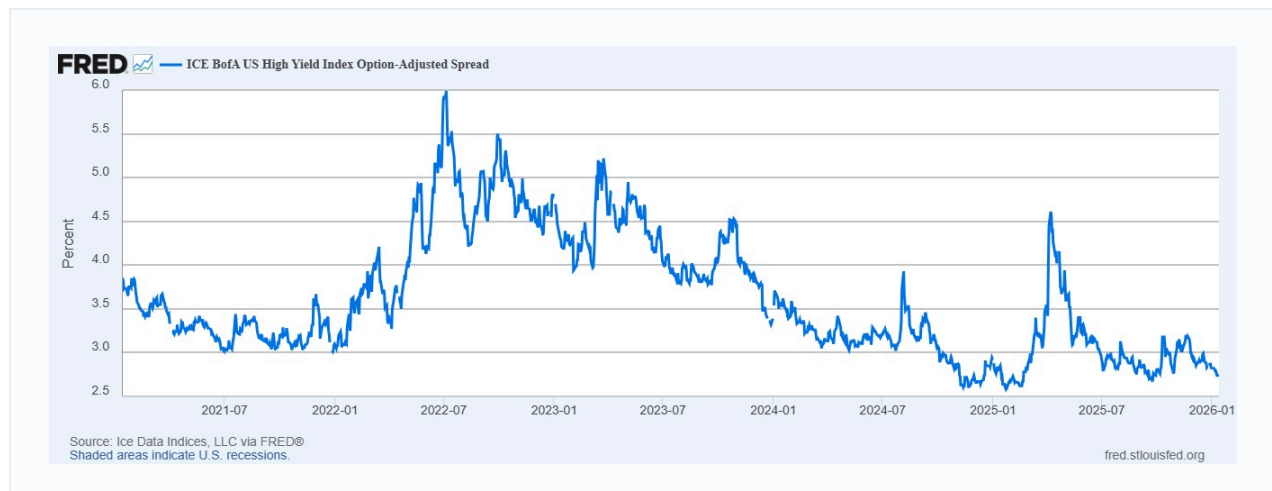
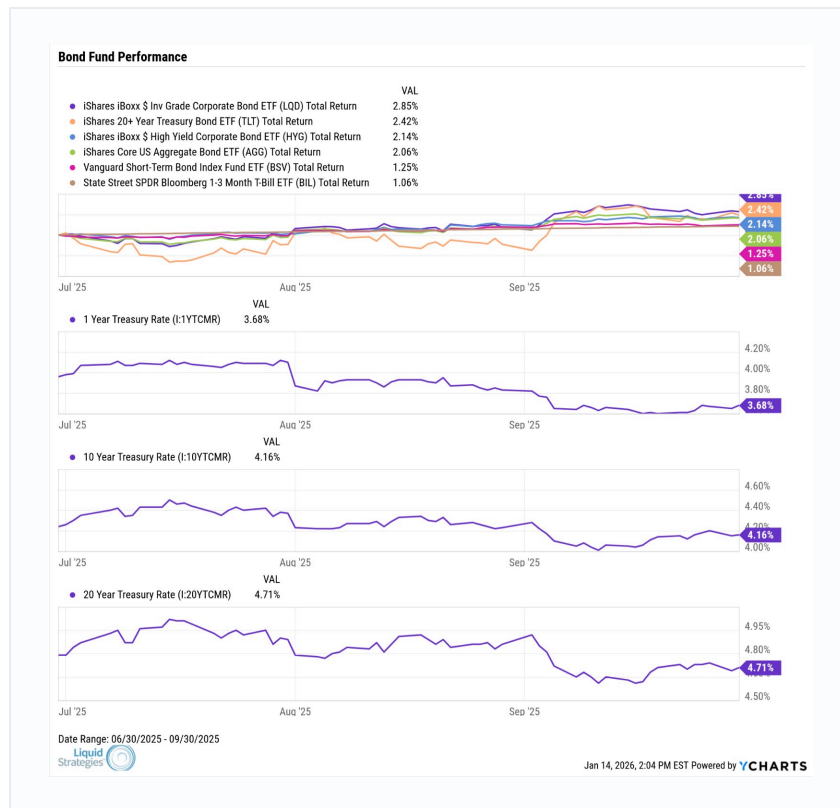
Market Overview

Equity markets were up across the board, with foreign stocks leading the way. Both foreign developed and emerging markets significantly outperformed domestic equities in 2025.



*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 companies.

Interest rates continued to move lower and credit spreads remained tight, supporting bond prices. Credit spreads remained near all-time lows, providing a further tailwind for bonds, particularly high yield.

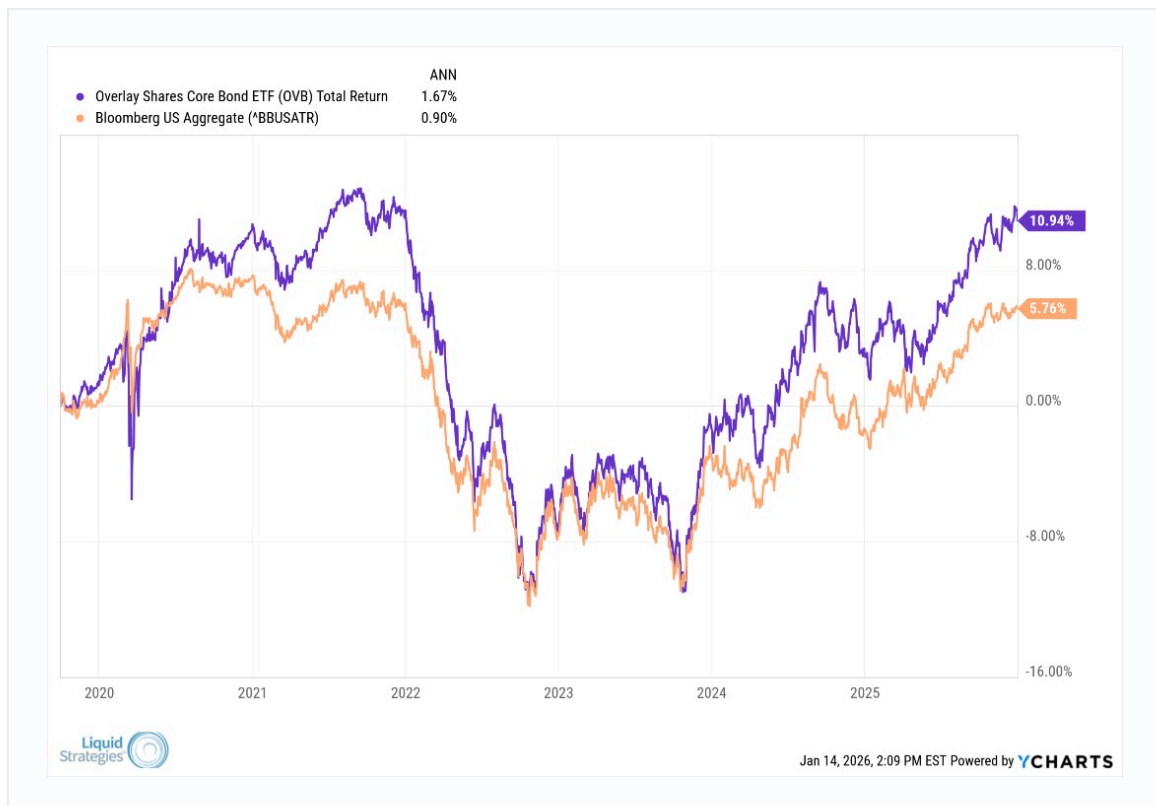
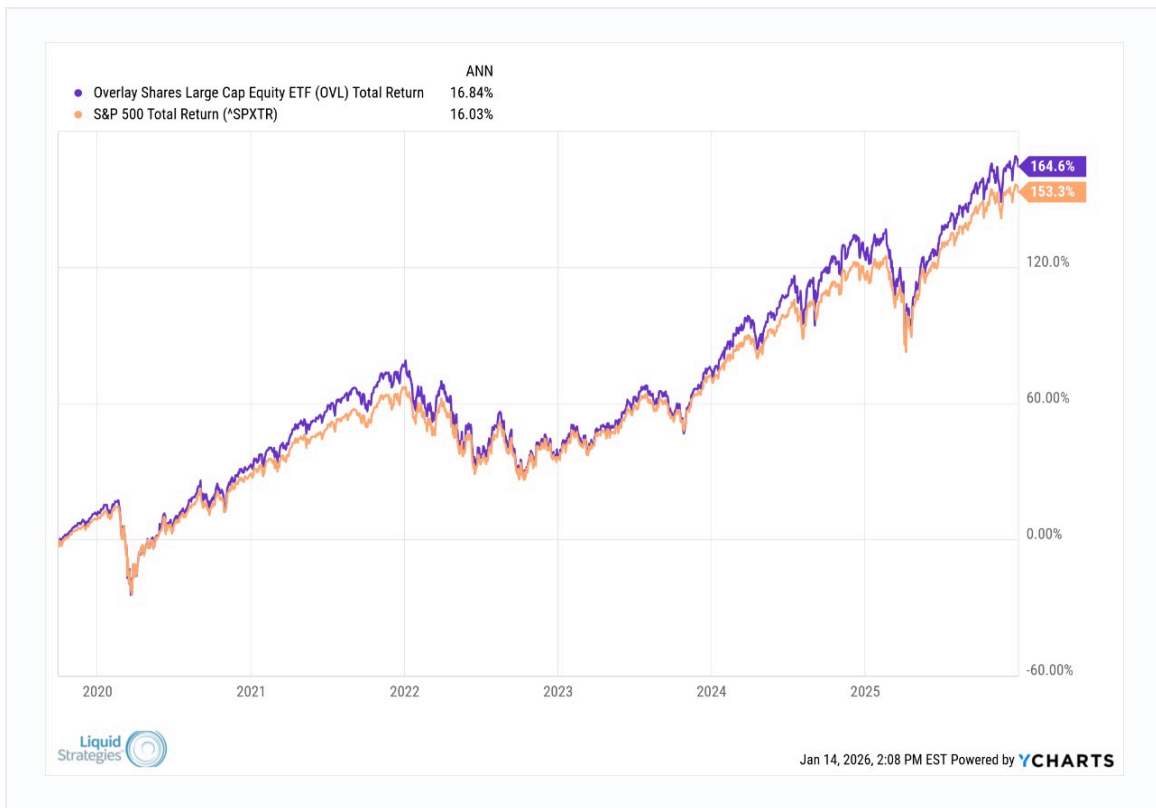


From a market volatility perspective, after a couple of minor volatility flare-ups in Q4, both equity volatility and Treasury volatility finished the year at historically low levels.



Fund Performance Highlights

The positive returns in the Overlay Strategy allowed our core funds (Overlay Shares Large Cap Equity ETF and Overlay Shares Core Bond ETF) to continue outperforming their respective benchmarks since inception.



LOOKING AHEAD

Despite the spike in volatility during the first half of the year, equity and bond volatility continue to be in a long-term low-volatility regime as we enter 2026. These regimes can be very supportive of asset prices and can continue for years. However, we are now several years into the current regime, and risk assets have made tremendous moves higher during that time. This could begin to cause heightened selectivity and sensitivity among investors, which could manifest into more frequent volatility spikes and an eventual reversal to a higher-volatility regime. It is impossible to tell when that will happen, but investors might benefit from starting to prioritize investments that offer robust risk controls and have the ability to benefit from higher-volatility environments. An investment like the Overlay Shares Hedged Equity Fund (OVLH) can provide uncapped upside potential while maintaining constant downside hedges against sharp moves lower in equity markets. That said, the hedge may create some downside drag in strongly positive markets, which can limit returns in certain environments. We have other solutions that can help your clients stay invested in the market during the next round of turbulence, which will likely come at some point in the future. As always, we are happy not only to 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.

We appreciate your continued support and interest.



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

[View Full Prospectus](#)

¹Russell 2000 Index tracks the performance of small-cap U.S. stocks, representing a broad measure of smaller publicly traded companies in the U.S.

²MSCI EAFE Index tracks the performance of international stocks in developed markets outside the U.S. and Canada, including countries in Europe, Australasia, and the Far East.

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Past performance is no indication of future results. Inherent in any investment is the potential for loss. The adviser may not achieve the stated annual return objective. This commentary is not meant as a general guide to investing, nor as a source of any specific investment

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The account's performance has been compared to the following indices. Index returns illustrated would be lower if transaction costs and fees for asset management were deducted. Information regarding the index contained in this report is from sources deemed to be reliable however; the Adviser does not guarantee the accuracy or completeness of such information.

Forward-looking statements are based on current expectations and are subject to risks and uncertainties that could cause actual outcomes to differ materially

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The Overlay Shares ETFs are distributed by Foreside Fund Services, LLC, which is not affiliated with the Adviser.

S&P 500 Total Return Index - An index of 500 stocks chosen for market size, liquidity and industry grouping, among other factors. The S&P 500 is designed to be a leading indicator of U.S. equities and is meant to reflect the risk/return characteristics of large cap stocks. All cash distributions (e.g. dividends and income) are reinvested. Used as a proxy for "Stocks" above.

Barclay's U.S. Aggregate Bond Index - A broad-based index of bond securities used to represent investment-grade bonds traded in the U.S. The index was formerly known as the "Lehman Aggregate Bond Index". Used as a proxy for "Bonds" above.

CBOE Volatility Index ("VIX") - An index sponsored by the Chicago Board of Options Exchange (CBOE) that shows the market's expectation of 30-day volatility. It is constructed using the implied volatilities of various option expirations and various strike prices of S&P 500 index options.

Correlation (R^2) - A statistical measure of how two financial instruments (e.g. securities, indices, etc.) move in relation to each other. A correlation of +1 implies that as one security moves, either up or down, the other security will move in lockstep, in the same direction. Alternatively, the closer correlation is to 0, the less the movements of two securities are related to one another.

Beta - A measure of the portfolio's sensitivity to changes in the benchmark. A beta of 1 indicates the portfolio has historically moved with the benchmark. A portfolio beta greater than 1 indicates the portfolio has been more volatile than the benchmark and a portfolio beta less than one indicates the portfolio has been less volatile than the benchmark. Beta in this presentation is calculated using monthly historical returns.

Sharpe Ratio - A measure for calculating risk-adjusted return. The Sharpe ratio is the average return earned in excess of the risk-free rate per unit of volatility or total risk. Subtracting the risk-free rate from the mean return, the performance associated with risk-taking activities can be isolated. Sharpe ratio = (Mean portfolio return - Risk-free rate)/Standard deviation of portfolio return. For Sharpe Ratio calculations in this presentation, the "risk free rate" is represented by the annualized monthly returns of the 3 Month US T-Bill.

Max Drawdown - A measure of the largest single drop from peak to trough based on monthly portfolio returns

HFRX Absolute Return Index - A stock index designed to measure absolute returns. The absolute return index is actually a composite index made up of five other indexes. This index is used to compare the absolute returns posted by the hedge fund market as a whole against individual hedge funds.

Standard Deviation - A measure of the dispersion of a set of data from its mean.