



Overlay Shares Quarterly Review

As of June 30, 2026

A large blue rectangular graphic with a subtle, wavy line pattern. The text 'Q2' is centered in a large, white, serif font.

Q2

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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 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%

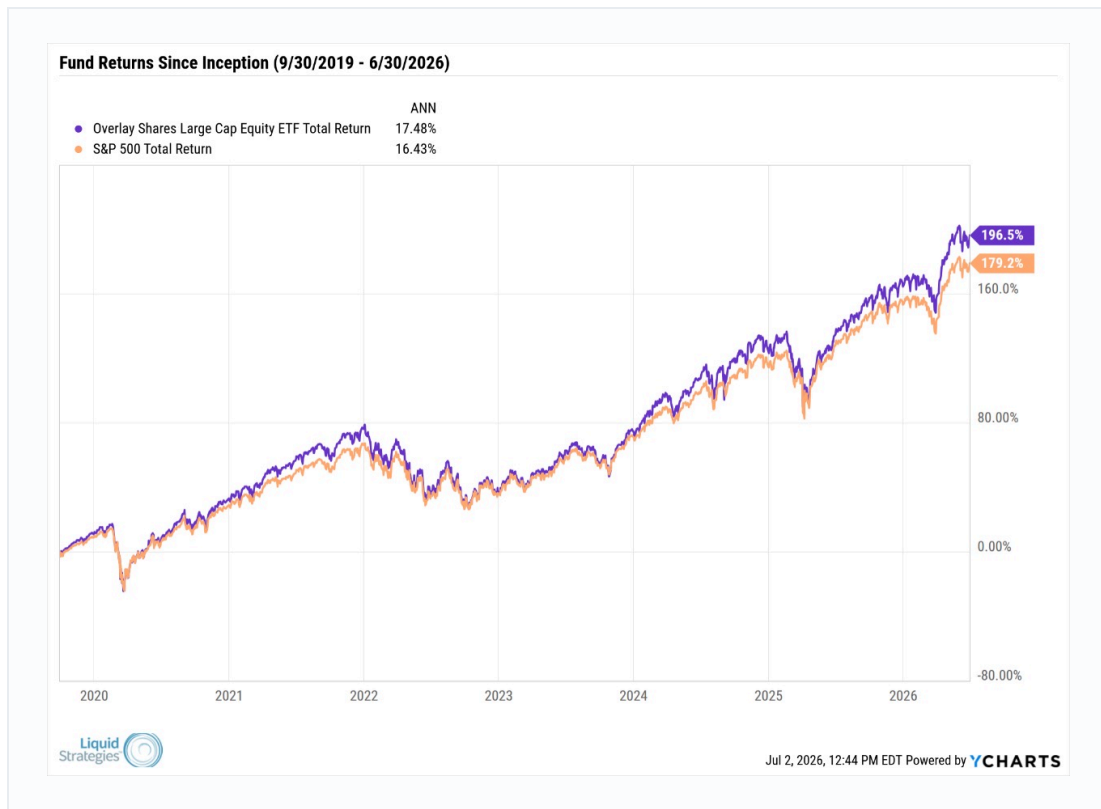
The **Overlay Shares Hedged Large Cap ETF (OVLH)** maintains laddered downside hedges to protect the portfolio against significant market drawdowns.

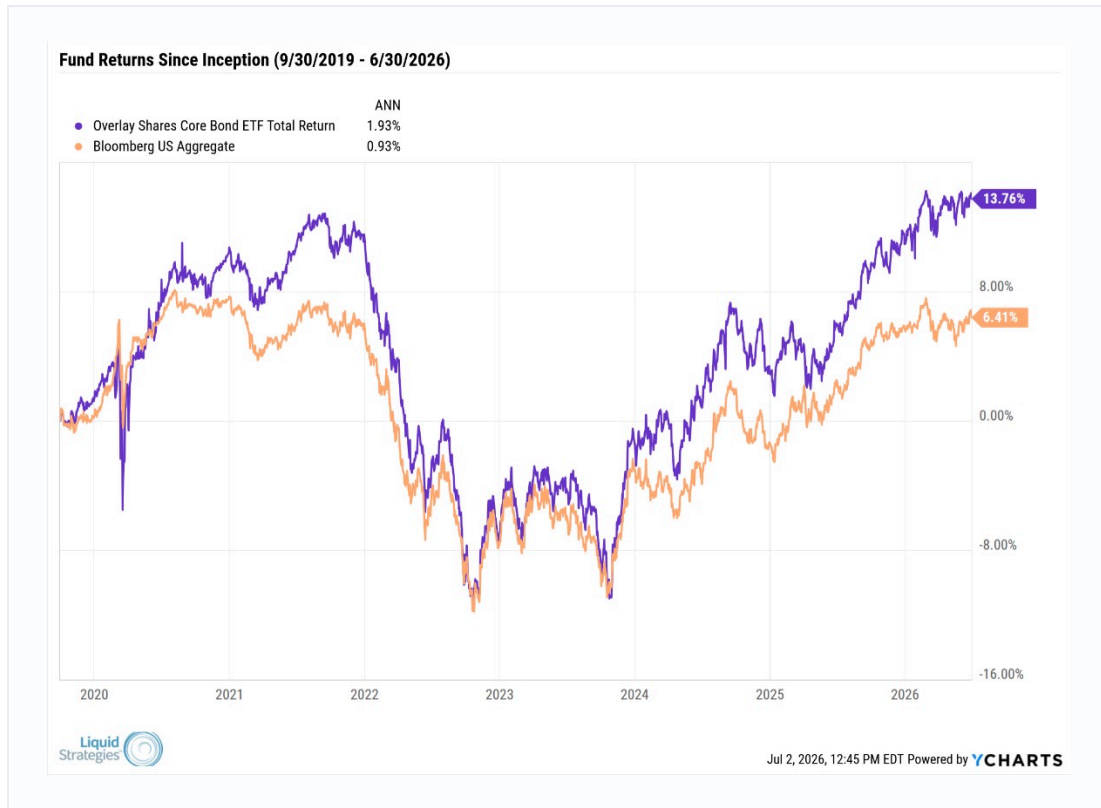
Performance Overview

Despite a choppy June, the second quarter of 2026 will be remembered as one of the more remarkable risk-on quarters in recent memory. Coming off a difficult Q1 in which the S&P 500 fell roughly 5%, U.S. equities staged their largest quarterly advance since 2020, absorbing a war in the Middle East, a shakeup at the top of the Federal Reserve, oil prices that pushed above \$100/barrel, and a repricing of the front end of the Treasury curve. Against that backdrop, the Overlay Strategy utilized in the Overlay Shares suite of ETFs delivered results that were

consistent with the way our option-overlay strategy is designed to behave, logging a positive contribution of about 0.52%. The gain in the quarter directly contributed to the outperformance of the six funds that utilize the Strategy. For example, the **Overlay Shares Large Cap Overlay ETF (OVL)** returned 15.50% versus 15.20% (net of fees) for the S&P 500 Index while paying out a monthly distribution at an annualized rate of 10.28% (as of 6/30/26)¹ and a 30-Day SEC yield of 1.00% (as of 6/30/26). On the fixed income side, the Overlay Shares Core Bond Overlay ETF (OVB) outperformed the benchmark by nearly 1.32%, returning 4.02% versus 2.70% (net of fees). 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 10.33% for the quarter, taking it to 6.07% for the year (net of fees).

Standardized Fund Performance*

	Q2 26	YTD	1 YEAR	3 YEARS	5 YEARS	INCEPTION TO DATE
OVL NAV Returns	15.72%	12.07%	26.22%	22.15%	13.59%	17.28%
OVL Market Price Returns	15.48%	12.08%	26.39%	22.12%	13.56%	17.29%
S&P 500 Total Return Index	15.20%	10.21%	22.32%	20.61%	13.41%	16.43%

OVS NAV RETURNS	20.03%	25.86%	41.46%	17.44%	7.51%	12.58%
OVS Market Price Returns	20.32%	25.99%	41.33%	17.47%	7.56%	12.62%
S&P 600 Total Return Index	19.70%	23.90%	37.50%	16.05%	7.37%	11.80%
OVF NAV RETURNS	11.08%	14.40%	27.81%	19.48%	9.47%	9.24%
OVF Market Price Returns	10.81%	14.18%	27.59%	19.48%	9.46%	9.23%
MSCI All Country World ex USA Index	14.49%	13.68%	27.66%	18.82%	8.79%	10.85%
OVB NAV RETURNS	1.15%	2.46%	7.10%	5.81%	0.56%	1.97%
OVB Market Price Returns	0.98%	2.52%	7.27%	5.88%	0.52%	1.96%
Bloomberg US Aggregate Bond Index	0.67%	0.62%	3.79%	4.16%	0.08%	0.92%
OVM NAV RETURNS	2.88%	3.98%	10.18%	5.06%	1.51%	2.76%
OVM Market Price Returns	2.93%	4.16%	10.36%	5.08%	1.45%	2.78%
Bloomberg Municipal Bond Index	2.50%	2.32%	7.03%	3.76%	1.05%	1.81%
OVT NAV RETURNS	1.24%	2.66%	7.21%	7.31%	2.90%	3.03%
OVT Market Price Returns	1.24%	2.47%	6.96%	7.31%	2.90%	3.03%
Bloomberg US Corporate 1-5 Years TR Index	0.84%	0.93%	3.85%	5.70%	2.43%	2.26%
OVLH NAV RETURNS	10.37%	6.27%	13.87%	15.13%	9.22%	10.40%
OVLH Market Price Returns	10.33%	6.07%	13.65%	15.05%	9.19%	10.40%
S&P 500 Total Return Index	15.20%	10.21%	22.32%	20.61%	13.41%	14.94%

**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.

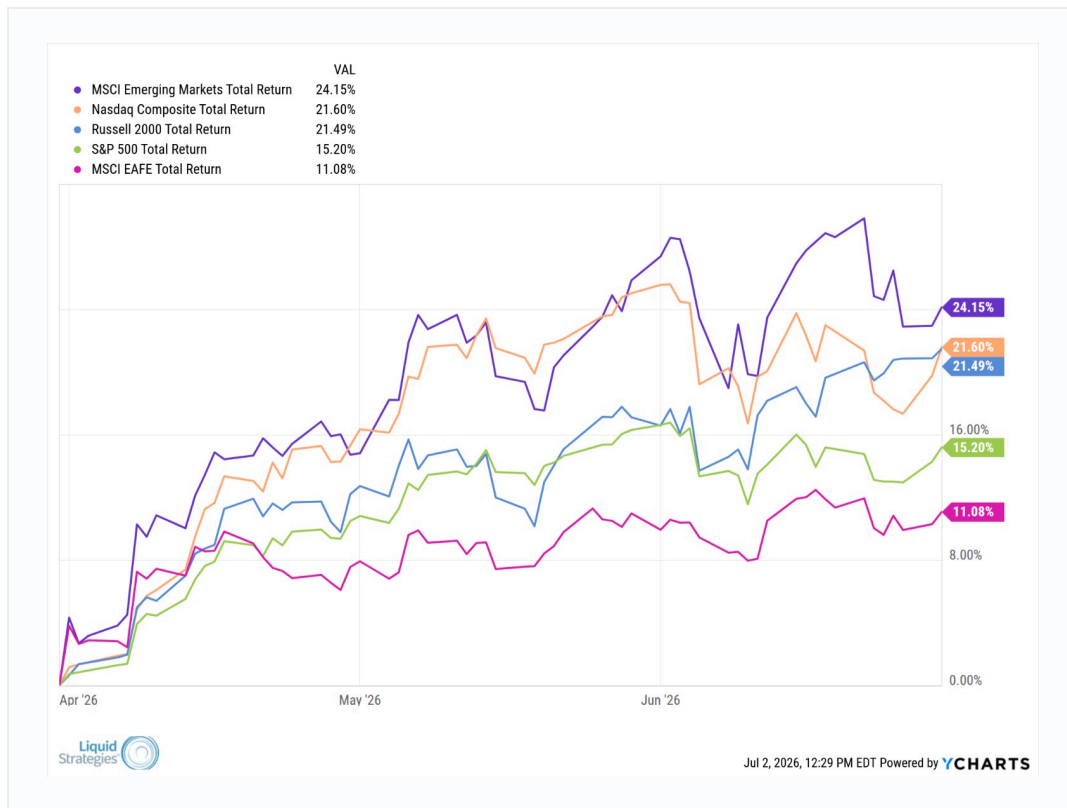
Performance data quoted represents past performance and is no guarantee of future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher 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 posted their best quarterly showing since 2020. The S&P 500 gained approximately 15.2% on a total-return basis in Q2, the Nasdaq Composite rose about 21.6%, and the Russell 2000 advanced 21.49%. Market leadership was concentrated in technology and semiconductors, though market participation improved meaningfully into June as the geopolitical overhang eased and investors started rotating into names and sectors that had previously underperformed.

Emerging markets delivered very strong absolute returns with continued strength in Taiwan and Korea semiconductor names. The MSCI EAFE Index finished Q2 up 1.08%, bringing year-to-date returns for non-U.S. developed and emerging markets to 9.84% and 24.02%, respectively.



***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.

The rates story in Q2 was characterized by strong demand for shorter-term Treasuries and modest weakness in longer-term Treasuries. The 10-year Treasury yield finished the quarter at roughly 4.44%, with the 2-year at 4.14% and the 30-year at 4.91%. The difference between the 2-year and 10-year Treasury yields ended the quarter at approximately 30 basis points² — indicating a significantly steeper yield curve than at the beginning of the year. The catalyst was a shift in Fed leadership: newly appointed Chairman Kevin Warsh, speaking at the ECB's Sintra forum in late June, made clear in relation to inflation that "prices are too high" and declined to signal any near-term cuts. Fed funds futures now price roughly a 73% probability the Fed holds rates steady in July and a 65% probability of at least a 25 basis point hike at the September Federal Open Market Committee (FOMC) meeting — a striking pivot from the cut-heavy path

expected at the start of the year. Investment-grade credit held up well, with spreads tight but stable; municipal and short-duration credit outperformed broader bond market benchmarks as investors sought carry with less duration exposure.

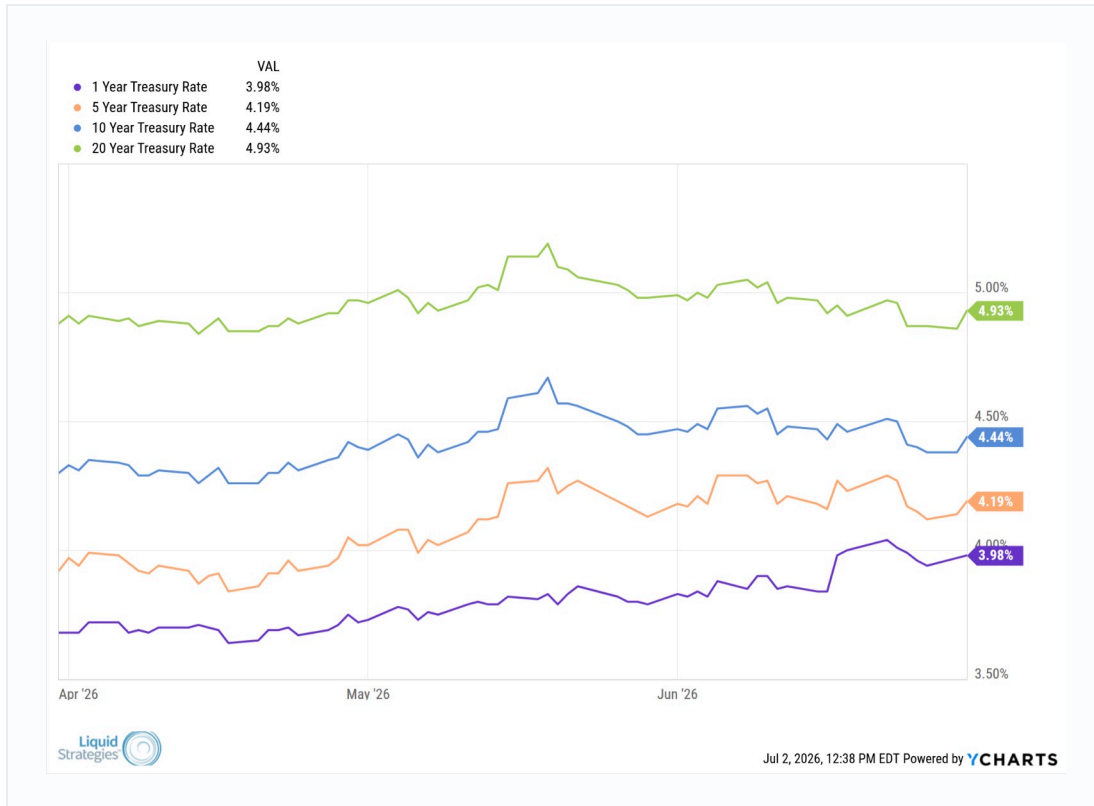
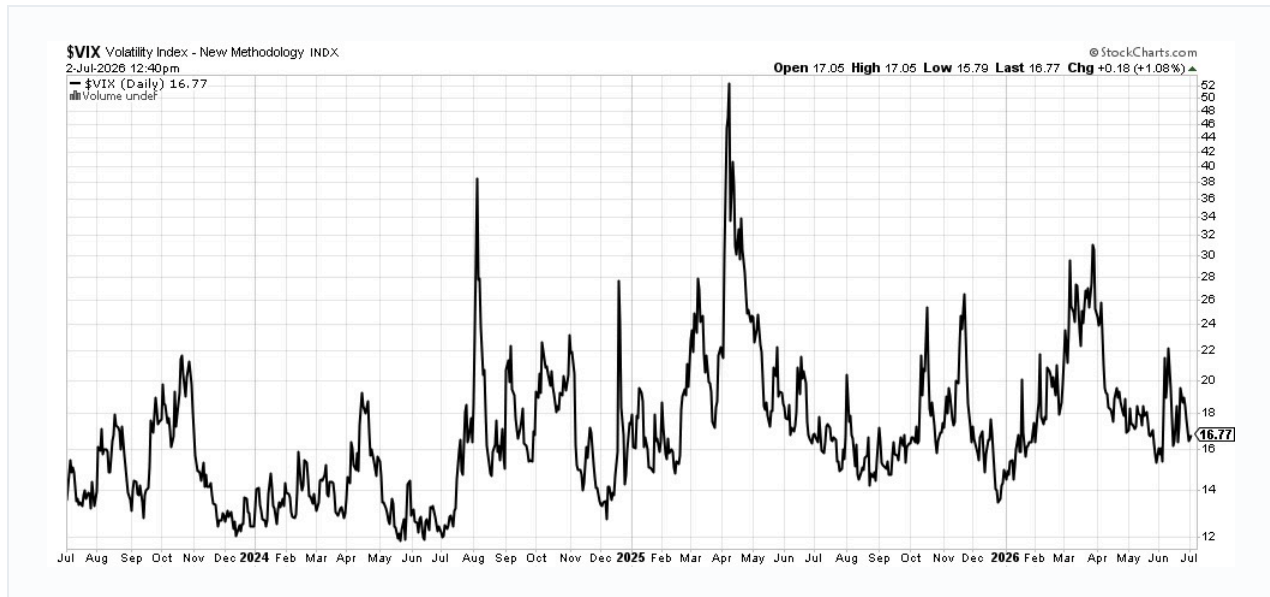


*Chart shows the difference (“spread”) between short-term (20-day) and long-term (360-day) realized volatility of the S&P 500 Index versus the average volatility of its underlying stocks. Realized volatility measures how much prices have actually moved over a given time period.

If Q2 had a signature theme for our strategies, it was the collapse in equity volatility. The S&P 500 Volatility Index (the “VIX”) entered the quarter at an elevated level due to the Middle East conflict that ignited in Q1. However, shortly after the start of the quarter, volatility collapsed sharply and remained in a normal range for the remainder of the quarter. By quarter-end the VIX closed near 16.6, with a June monthly average of approximately 17.9 and an intra-quarter low in the 13s. Realized volatility on the S&P 500 finished the quarter well below implied — the implied-minus-realized “variance risk premium” that our overlays monetize was persistently positive throughout most of the quarter. This is precisely the environment in which a disciplined, systematic put-write overlay is intended to add value: rich implied volatility was harvested into a market that trended higher with only modest, quickly reversed pullbacks (most notably a brief mid-June pullback on renewed Iran-front tensions before the Memo of Understanding was signed).



LOOKING AHEAD

Historically, the third quarter of the year tends to offer a combination of different market environments, often including both the "summer doldrums," a 2–3-week period following the July 4th holiday, and a "summer swoon" later in the quarter. While these conditions have often occurred historically, the current market environment is anything but predictable. Given the return of equity markets to levels at or near all-time highs, it may be a good opportunity for advisors and investors to re-examine portfolios to ensure that 1) they are getting adequately compensated for the risks they are taking and 2) they have adequate exposure to strategies that can provide a ballast against market volatility. While bond-based positions may offer such a ballast, hedged equity solutions might be worth considering as well. For example, an investment like the Overlay Shares Hedged Large Cap Equity Fund (OVLH) can provide uncapped upside potential while maintaining constant downside hedges against sharp moves lower in equity markets. 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

2Basis Point (bp): One one-hundredth of a percentage point.

[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](tel:866704OVLS). 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.