



Quarterly Fund Review

As of March 31, 2026

AUTHOR

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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, 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

For the 1st Quarter of 2026, equity and bonds markets got off to a strong start through the end of February before the conflict in Iran caused a spike in volatility. Emerging markets equities took it particularly hard in March, where the MSCI Emerging Markets Index¹ went from a YTD total return of +14.86% at the end of February to a -0.10% YTD loss at the end of the quarter. In the bond market, the Bloomberg U.S. Aggregate Bond Index went from being up 1.85% through February to being nearly flat by the end of the quarter. Despite this heightened

volatility, the Overlay Strategy was able to log a positive return of 1.46% for the quarter, including a positive return in the volatile month of March. The gain in 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. These hedges did add some value during the quarter, though they are designed to protect against much larger market drawdowns. The fund outperformed the S&P 500 Index with a return of 3.86%.

Fund Performance*

	Q1 '26	YTD	1 YEAR	3 YEARS	5 YEARS	INCEPTION TO DATE		
OVL NAV Returns	-3.15%	-3.15%	21.56%	19.99%	12.40%	15.38%		
OVL Market Price Returns	-2.94%	-2.94%	21.90%	20.13%	12.44%	15.43%		
S&P 500 Total Return Index	-4.33%	-4.33%	17.80%	18.32%	12.06%	14.58%		
OVS NAV RETURNS	4.68%	4.86%	24.30%	12.08%	4.80%	9.96%		
OVS Market Price Returns	4.71%	4.71%	24.07%	12.06%	4.77%	9.96%		
S&P 600 Total Return Index	3.51%	3.51%	20.50%	10.51%	4.49%	9.22%		
OVF NAV RETURNS			2.99%	2.99%	30.13%	16.42%	8.45%	7.85%
OVF Market Price Returns			3.04%	3.04%	30.18%	16.53%	8.54%	7.88%
MSCI All Country World ex USA Index			-0.71%	-0.71%	24.91%	14.49%	7.02%	9.00%

OVB NAV RETURNS	1.30%	1.30%	7.93%	5.39%	0.95%	1.86%
OVB Market Price Returns	1.52%	1.52%	7.93%	5.42%	0.98%	1.88%
Bloomberg U.S. Aggregate Bond Index	-0.05%	-0.05%	4.35%	3.63%	0.31%	0.86%

OVM NAV RETURNS	1.07%	1.07%	7.64%	4.29%	1.48%	2.42%
OVM Market Price Returns	1.20%	1.20%	7.50%	4.28%	1.49%	2.43%
Bloomberg Municipal Bond Index	-0.18%	-0.18%	4.29%	2.87%	0.84%	1.49%

OVT NAV RETURNS	1.40%	1.40%	8.40%	7.19%	3.04%	2.93%
OVT Market Price Returns	1.21%	1.21%	8.34%	7.22%	3.05%	2.94%
Bloomberg US Corporate 1-5 Years TR Index	0.09%	0.09%	4.85%	5.43%	2.40%	2.21%

OVLH NAV RETURNS	-3.71%	-3.71%	14.29%	13.95%	8.55%	8.84%
OVLH Market Price Returns	-3.86%	-3.86%	14.39%	14.08%	8.55%	8.85%
S&P 500 Total Return Index	-4.33%	-4.33%	17.80%	18.32%	12.06%	12.61%

**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.

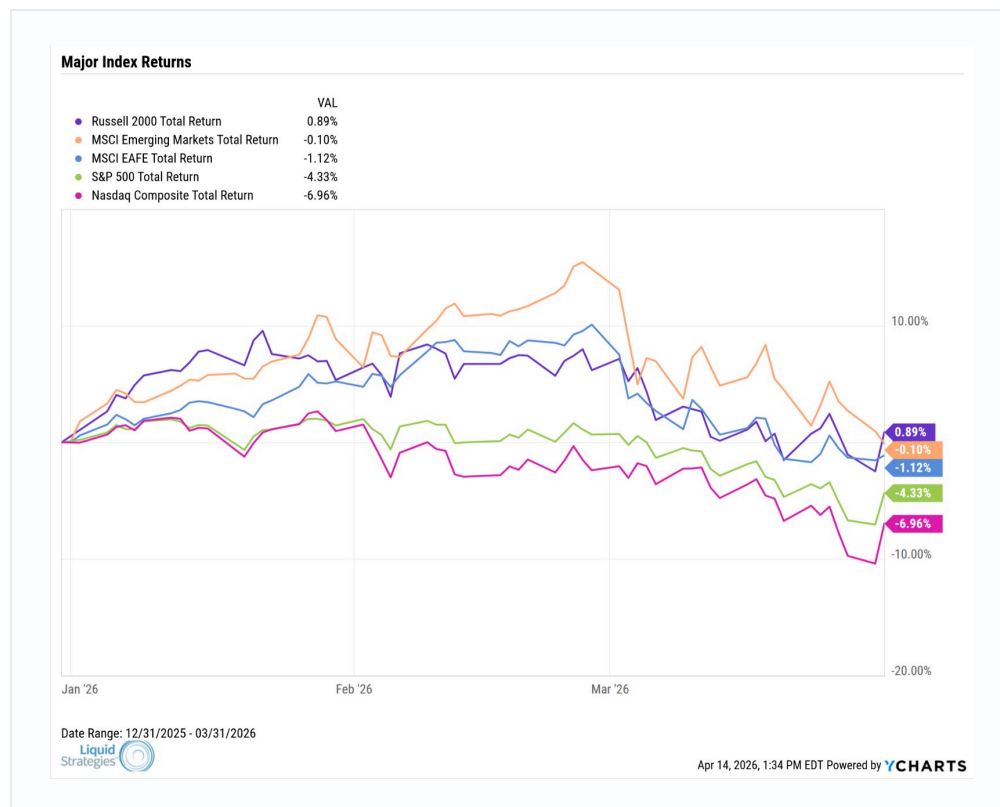
Index comparisons are provided for general informational purposes only and are not indicative of the Fund's performance or strategy. Indices are unmanaged and do not reflect fees or expenses.

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

With the exception of U.S. Small Cap stocks, equity markets were down across the board, especially in the tech-heavy Nasdaq Composite Index.

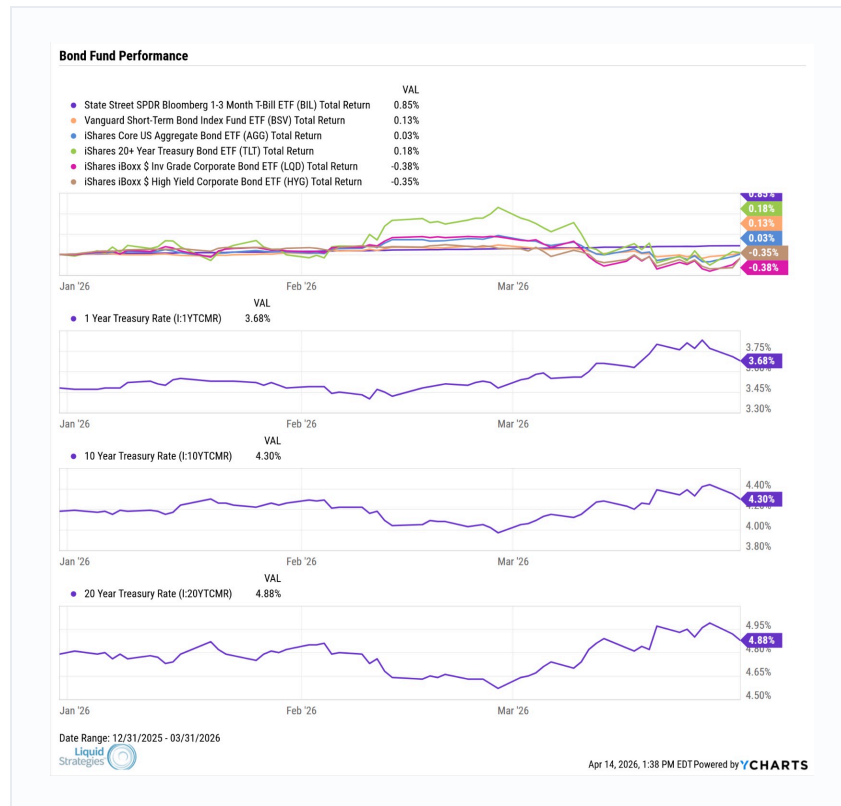


***Nasdaq Composite Total Return Index** tracks the performance of thousands of stocks listed on the Nasdaq stock exchange, with a heavy concentration in technology and growth

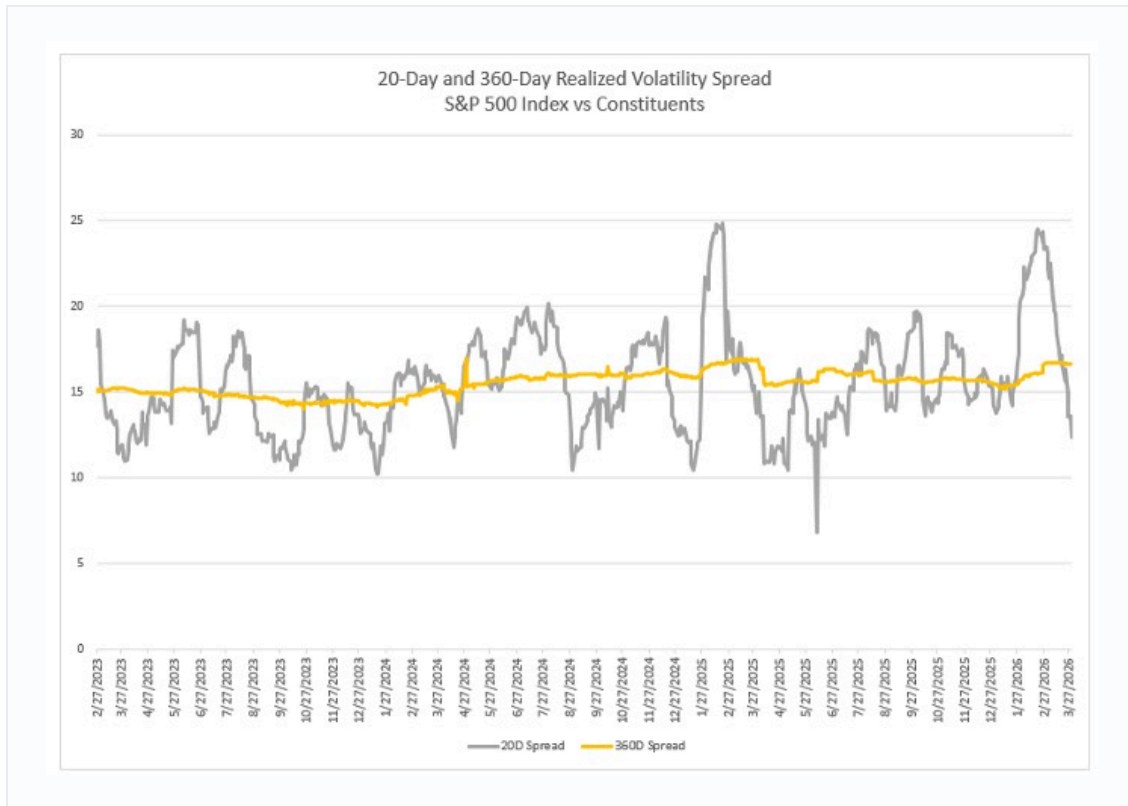
Russell 2000 Total Return Index measures the performance of small-cap U.S. stocks, including both price changes and reinvested dividends.

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

During the March volatility, bonds once again failed to provide a portfolio ballast as interest rates rose and credit spreads widened. Cash equivalents proved to be the best hiding spot, with short-term Treasuries providing a decent positive return for the quarter.



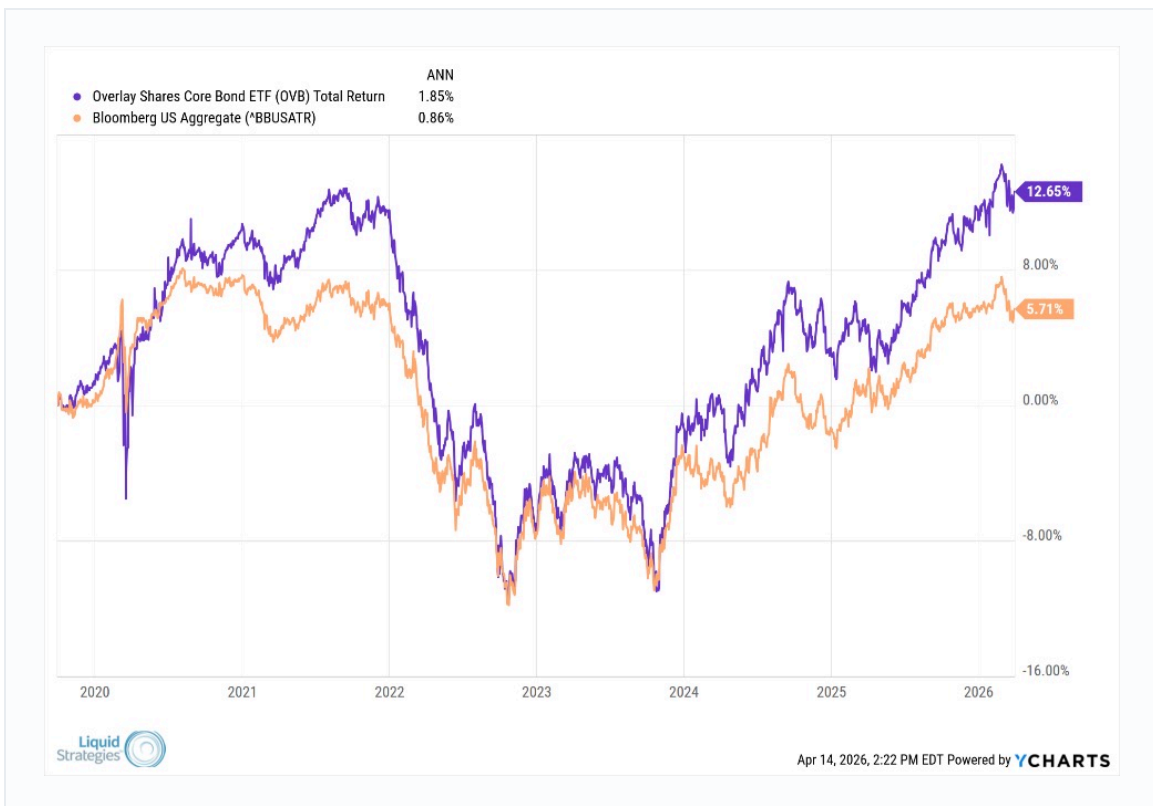
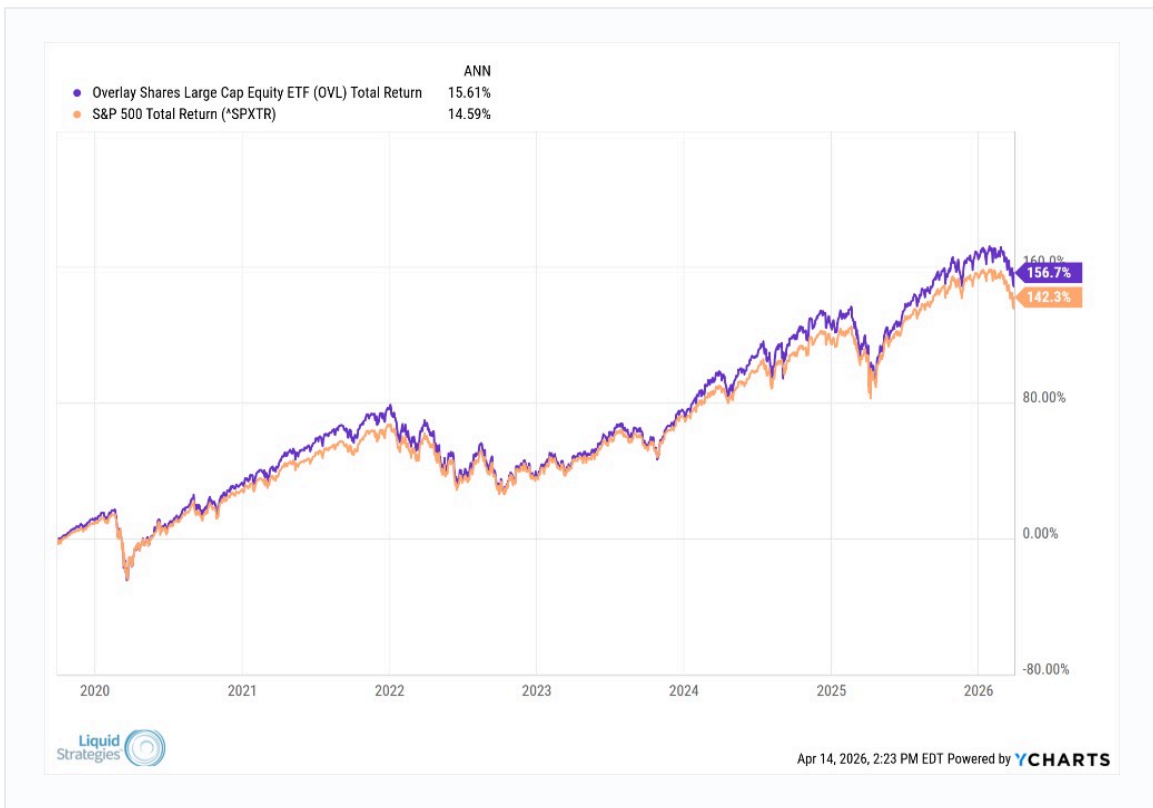
Given our primary focus on market volatility, we noticed something very interesting happening in the first two months of the year. There was a ton of volatility in stocks beneath the surface, but when looking at the equity indices, the volatility was still extremely low. This created a tailwind for the Overlay Strategy in that the index options market (which we utilize for the Strategy) was pricing options based on the volatility beneath the surface rather than at the index level. As sellers of these options, this allowed us to sell options that had a significant risk premium embedded in them, giving us a significant cushion against the subsequent market volatility. This pricing anomaly has since reversed as the volatility of the index moved higher and reduced the spread between it and the underlying constituents. By the end of the quarter, the volatility spread between the two dropped below the long-term averages. In order for this spread to normalize, there would now need to be some combination of index volatility falling or single-stock volatility rising. Falling index volatility could continue to support the Overlay Strategy but would create a drag in any of the hedged strategies.



*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.

Fund Performance

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 to outperform their respective benchmarks since inception (charts below are since inception 9/30/2019 and net of fees).



Performance shown represents cumulative returns since inception and is not standardized. Standardized performance for required periods is provided elsewhere. 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.

LOOKING AHEAD

The conflict in Iran has created a significant amount of uncertainty for investors, which is a key factor that tends to drive volatility higher. Over time, this uncertainty will yield to more clarity, but what that picture looks like is pure speculation. While volatility markets can create short-term challenges for our strategies, they also support long-term opportunities for us. So, for us, we embrace these times as a necessary part of the market cycle and trust our strategies and process as we continue to manage through evolving market conditions.

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.

We appreciate your continued support and interest.



Shawn Gibson, Founding Member

Adam Stewart, CFA, Portfolio Manager

¹MSCI Emerging Markets Total Return Index tracks the performance of stocks in developing (emerging) market countries, including reinvested dividends.

[View Full Prospectus](#)

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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.

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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.