

Form ADV Part 3: Relationship Summary

Esoterica Capital LLC

January 31, 2024

Introduction

Esoterica Capital LLC (“Esoterica”, “Our”, “Us”, “We”, “Adviser”, or “Firm”) is an Investment Adviser registered with the U.S. Securities and Exchange Commission¹. We offer our clients investment advisory services. Clients should understand that the services we provide and fees we charge are different than those of a broker-dealer, and that it is important to understand the difference between the two. Free and simple tools are available to research firms and financial professional at <https://www.investor.gov/CRS>, which also provides educational materials about broker-dealers, investment advisers, and investing.

What Investment Services and Advice Can You Provide Me?

Description of Services: Esoterica provides investment advisory services to retail and institutional investors which involves us managing and trading your designated account(s)². The Firm invests in themes that it believes will participate in global digital transformation across several sectors. Esoterica will discuss your investment goals and design a strategy to try and achieve your investment goals. There is no material limitation on the investment management services we provide to our clients. Esoterica will continuously monitor your account when providing investment advisory services. Esoterica is available to discuss your investment portfolio throughout the year. To do so, contact Qindong (Bruce) Liu during regular business hours and expect a prompt response. For more information, please see Item 4 of our Form ADV Part 2A. Our investment advisory services are provided on a discretionary basis (we will have the authority to determine the type and amount of securities to be bought or sold in your account.) For more information, please see Item 16 of our Form ADV Part 2A.

We primarily recommend portfolios of individual stock and bond securities to clients. However, we will recommend investment services that may be suitable for each client relative to that client’s specific circumstances and needs using a broad range of investment selections limited in that we can only invest your account in securities which are available on your custodian/broker-dealer’s platform. When providing tailored services, we do not recommend or offer advice on any proprietary products. For additional information, please see Form ADV Part 2A at Items 4 and 7.

Account & Fee Minimums: Esoterica requires a minimum of \$250,000 in order to open an account. To reach this account minimum, clients can aggregate all household accounts.

Conversion Starters: Ask your financial professionals:

- Given my financial situation, should I choose an investment advisory service? Why or why not?
- How will you choose investments to recommend to me?
- What is your relevant experience, including your licenses, education and other qualifications?
- What do these qualifications mean?

What Fees Will I Pay?

Description of Principal Fees & Costs: Fees charged for our investment advisory services are charged based on a percentage of assets under management (“AUM Fees”). The more assets you have with Esoterica, the more fees we charge. As a result, we have an incentive to encourage you to increase the amount of assets we manage. AUM Fees are divided and billed in arrears on a quarterly calendar basis and calculated based on the fair market value of your account as of the last business day of the current billing period. For certain qualified clients, we charge a performance fee in addition to AUM Fees which are paid quarterly or annually, based on performance of the portfolio over a benchmark or a hurdle rate (“Performance Fees”). Because our AUM Fees and Performance Fees are based upon the value of your account(s) we have an incentive to recommend that you increase the level of assets in your account.

When engaging us for investment advisory services you will also incur other fees and expenses. The broker-dealer/custodian on your account will charge you transaction fees for executing trades in your account. The mutual funds and ETFs we select for your account will incur their own, internal fees and expenses.

Additional Information: You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying. For more

¹ Registration of an investment adviser does not imply a certain level of skill or training.

² ESOTERICA also provides investment advisory services to AXS Esoterica NextG Economy, (“ESOTERICA ETF”), which is an exchange-traded fund and a series of Investment Managers Series Trust II (the “Trust”), a registered investment company in addition to separately managed accounts. Additional information regarding the services provided by ESOTERICA to the Investment Managers

Series Trust II can be found in the ESOTERICA ETF’s prospectus and Statement of Additional Information, which are publicly available at <https://www.axsinvestments.com/wugi/>, on the EDGAR Database on the SEC’s website (www.sec.gov) or by contacting the Fund’s principal distributor, IMST Distributors, LLC at Three Canal Plaza, Suite 100, Portland, Maine 04101.

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information about the fees, we charge and the other fees and expenses you will incur please see *Item 5 of Form ADV Part 2A*.

Conversation Starters: Ask your financial professionals:

“Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?”

What are your legal obligations to me when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?

Standard of Conduct: When we act as your investment adviser, we must act in your best interest and put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice, we provide you. Here are some examples to help you understand what this means. When trading, we are incentivized to favor larger clients, and clients who pay a higher fee rate. Additionally, if you rollover an IRA account to our program, we will apply a fee to your account and make money. If you decide to not rollover the IRA to our program, we will not make money. Therefore, we have an incentive for you to move your IRA to our program even if it is not in your best interest. For more information about this conflict and our procedures to mitigate the conflict, see *Item 11* of our *Form ADV Part 2A*.

Additional Information: For more information about our conflicts of interests and the ways we are compensated please see *Item 5* and *Item 10* of our *Form ADV Part 2A*.

Conversation Starters: Ask your financial professionals:

How might your conflicts of interests affect me, and how will you address them?

How do your financial professionals make money?

Esoterica is a partnership with several partners owning equity in the partnership, including Qindong (Bruce) Liu, Diana Wang, and Yang Ren (“Partners”). Partners expect to be paid current compensation and also benefit from an increase in the equity value of their ownership in Esoterica. The Partners also expect to receive dividends from the firm’s net profits, pro rata to their ownership. All other things being equal, the more assets the firm manages, the more the current and deferred compensation for the Partners. This

creates a conflict of interest as it gives Esoterica the incentive to recommend you invest more in your account with us due to the potential for increased payments.

Do you or your financial professionals have legal or disciplinary history?

No. Our firm and financial professionals do not have any legal and disciplinary history to disclose. Visit Investor.gov/CRS for a free and simple search tool to research our firm and our financial professionals.

Conversation Starter: Ask your financial professionals:

As a financial professional, do you have any disciplinary history? For what type of conduct?

Additional Information about Esoterica

Additional information about Esoterica is available on the Internet at <https://www.esotericacap.com>. You can find copies of our *Form ADV Part 2A* disclosure brochure and this relationship summary on the SEC’s Investment Adviser Public Disclosure website at <https://adviserinfo.sec.gov/firm/summary/304570>. You may also contact Qindong (Bruce) Liu at 860-543-3942 for up-to-date information and to request a copy of this relationship summary.

Conversation Starter: Ask your financial professionals:

- Who is my primary contact person?
- Is he a representative of an investment adviser or a broker-dealer?

Who can I talk to if I have concerns about how this person is treating me?