

Liquid Strategies, LLC
Part 2A of Form ADV

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This brochure provides information about the qualifications and business practices of Liquid Strategies, LLC herein referred to as “Liquid Strategies”. If you have any questions about the contents of this brochure, please contact us at (770) 350-8700. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Liquid Strategies is a registered investment adviser. Registration does not imply a certain level of skill or training. The oral and written communications of an adviser provide you with information about which you determine to hire or retain an adviser.

Additional information about Liquid Strategies is also available on the SEC’s website at: www.adviserinfo.sec.gov.

Item 2- Material Changes

We have amended Item 18 to reflect receipt of the Paycheck Protection Program loan.

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Item 4- Advisory Business

- A. Liquid Strategies, LLC (“Liquid Strategies”) is an employee-owned investment boutique founded in Atlanta, GA in 2013 and registered with the U.S. Securities and Exchange Commission (“SEC”) as an investment adviser since March 2014. Brad Ball is the managing member of Liquid Strategies and serves as the firm’s Chief Executive Officer.
- B. Liquid Strategies provides investment advisory services to its clients which currently include a registered investment company, an Exchanged Traded Funds (“ETFs”) complex and separately managed accounts.
- C. Clients may not impose restrictions on investing in certain securities or types of securities.
- D. Wrap fee programs are not applicable.
- E. As of December 31, 2020, Liquid Strategies had approximately \$458,806,269 of discretionary regulatory assets under management.

Item 5- Fees and Compensation

- A. Liquid Strategies is compensated for advisory services based on the value of regulatory assets under management at a rate up to 1.50%. Fees charged to investors in the Theta Income Fund are detailed in the fund’s prospectus and is generally referred to as the fund’s expense ratio. Liquid Strategies may also be paid performance based compensation, which is compensation that is based on a share of the capital gains of the account or capital appreciation of the assets of a client. This compensation may be paid at a rate no higher than 20% and the performance fee is subject to a loss carry forward (sometimes referred to as a high-water mark). These fees are negotiable at the discretion of the investment manager.
- B. Clients of the advisor are invoiced for fees incurred. Management fees are billed quarterly either in advance or in arrears dependent on the arrangement with each Client. Performance based fees are billed annually.
- C. Liquid Strategies’ investment management fees are exclusive of brokerage commissions and other trading related costs that may be incurred. See Item 12 Brokerage Practices for additional information. Clients will also incur fees charged by the custodian of their assets that are separate from any fees charged by Liquid Strategies.
- D. Certain Clients may pay fees in advance. Clients may obtain a refund of a fee paid in advance in the event an advisory contract is terminated or a withdrawal is made prior to the end of the billing period. The refund would be prorated based on the total

amount of the fee paid in advance, the number of days in the billing period and the number of days remaining in the billing period.

- E. Some of the firm's supervised persons accept compensation via an internal sales bonus based on the sale of investment products including asset-based sales charges from the sales of the mutual fund and ETF Funds for which the firm serves as investment adviser.
1. This practice presents a conflict of interest and gives our supervised persons an incentive to recommend investment products based on the compensation received, rather than on a client's needs. We address conflicts that arise, including disclosing the conflicts to clients. Our supervised persons do not generally talk directly with or promote products directly to individuals. Our supervised persons talk with platform partners and other advisors about our products. The platform partners and advisors have the ultimate responsibility of assessing the needs of the end client. Our supervised persons do talk directly with institutional prospects and/or institutional clients.
 2. Clients have the option to purchase investment products that we recommend through other brokers or agents that are not affiliated with us.

Item 6- Performance Based Fees and Side-by-Side Management

Performance based fee arrangements may create an incentive for Liquid Strategies to favor accounts paying a higher fee in the allocation of profitable trades in an unfair manner. Liquid Strategies mitigates this potential conflict through its policies, procedures and trading strategies which are designed to treat all clients fair and equally. Employees are not compensated on the performance of individual accounts thus no incentive exists for them to favor a performance-based fee account over other accounts.

Item 7- Types of Clients

Liquid Strategies currently serves as the investment adviser to the Theta Income Fund and an ETF complex. Liquid Strategies also provides investment advisory services to clients in the form of separately managed accounts. At the time of filing this brochure Liquid Strategies client base consisted of high net worth individuals. The standard minimum account size for investment advisory services in a separate account is \$5 million subject to manager discretion and on a case by case basis.

Item 8- Methods of Analysis, Investment Strategies and Risk of Loss

- A. Liquid Strategies utilizes a variety of methods of analysis to make investment decisions and recommendations. These methods include the use of analytical tools and more specifically the analysis of option pricing across multiple asset classes and indices.

Under normal market conditions, the advisor seeks to achieve its investment objective primarily by selling listed weekly put options on U.S. equity indices, U.S. exchange traded funds (“ETFs”), and common stock of U.S. issuers across any market capitalization, while also purchasing intermediate-term put options for hedging purposes. The equity indices in which the advisor sells put options will primarily reflect the general U.S. equity market. The ETFs on which the advisor sells put options would primarily seek to track various benchmark indices which include but are not limited to different asset classes such as equities and fixed income. A put option gives the purchaser of the option, upon payment of a premium, the right to sell, and the writer of the option the obligation to buy, the underlying instrument at a specific exercise price. Put options are among the types of instruments commonly referred to as derivatives. The sale of put options generates income for the strategy but exposes it to the risk of declines in the value of the underlying assets that are in excess of the income collected. The potential returns generated by such investments are generally limited to the amount of option premiums the strategy receives. The purchase of put options protects against significant declines in the value of the underlying assets below the strike price of the option.

The advisor focuses primarily on equity index options which offer both European settlement (i.e., options can only be exercised at their expiration date) and cash settlement (i.e. options carry an obligation by their seller to pay the difference between their strike price and their settlement value instead of allowing the seller to take delivery of securities).

Collateral: In the Theta Income Fund, Liquid Strategies will purchase fixed income instruments such as Treasury Bills, money market fund shares, government agency bonds, and investment grade corporate bonds (with an average weighted maturity of less than 5 years) to serve as collateral for put options sold. In separately managed accounts, the client may choose other existing assets for purposes of establishing collateral for put options sold. Each ETF in the Overlay Shares complex holds collateral in the form of exchange-traded funds that reflect the underlying beta source for each Fund (i.e. U.S. Large Cap Equity, U.S. Small Cap Equity, Non-U.S. Equity, Core Bonds and Municipal Bonds).

Leverage: Liquid Strategies will use leverage based on the adviser’s discretion and dependent on the type of strategy being employed. Maximum amounts of leverage will be contractually determined based on the client. Leverage, when applicable, is used to increase market exposure above the value of assets in the client’s account.

These methods, strategies and investments involve risk of loss to clients and clients must be prepared to bear the loss of their entire investment.

B. The material risks of Liquid Strategies' investment strategies are outlined below.

Leverage. Leverage increases volatility of returns.

Market Risk. The market price of a security or instrument may decline, sometimes

rapidly or unpredictably, due to general market conditions that are not specifically related to a particular company, such as real or perceived adverse economic or political conditions throughout the world, changes in the general outlook for corporate earnings, changes in interest or currency rates or adverse investor sentiment generally. The market value of a security or instrument also may decline because of factors that affect a particular industry or industries, such as labor shortages or increased production costs and competitive conditions within an industry.

Equity Risk. The value of the certain put options sold by the Adviser is based on the value of the stocks underlying such options. Accordingly, the portfolio is exposed to equity risk. The value of equity securities may fall due to general market and economic conditions, perceptions regarding the industries in which the issuers participate, or factors relating to specific companies.

Put Option Risk. Options are generally subject to volatile swings in price based on changes in value of the underlying instrument and the value of the positions in options may be subject to greater fluctuations in value than investments in the underlying instrument. The strategy/portfolio will incur a form of economic leverage through its use of options, which will increase the volatility of the returns and may increase the risk of loss to the strategy/portfolio. While the portfolio will collect premiums on the options it writes, the risk of loss if one or more of the options is exercised and expires in-the-money may substantially outweigh the gains to the portfolio from the receipt of such option premiums. The Adviser will either earmark or segregate sufficient liquid assets to cover its obligations under each option on an ongoing basis. Moreover, the options sold by the Adviser may have imperfect correlation to the returns of their underlying stocks.

Implied Volatility Risk. When the Adviser sells a listed put option, it gains the amount of the premium it receives, but also incurs a corresponding liability representing the value of the option it has sold (until the option is exercised and finishes in the money or expires worthless). The value of the options in which the portfolio is invested is partly based on the volatility used by market participants to price such options (i.e., implied volatility). Accordingly, increases in the implied volatility of such options will cause the value of such options to increase (even if the prices of the options' underlying stocks do not change), which may result in a corresponding increase in the liabilities of the Fund under such options. The portfolio may therefore be exposed to implied volatility risk before the options expire or are exercised. This is the risk that the implied volatility of the options sold by the Adviser will increase due to general market and economic conditions, perceptions regarding the industries in which the issuers of such stock participate, or factors relating to specific companies.

Fixed income securities (Bond) risk. The prices of fixed income securities respond to economic developments, particularly interest rate changes, as well as to changes in an issuer's credit rating or market perceptions about the creditworthiness of an issuer. Generally fixed income securities decrease in value if interest rates rise and increase in value if interest rates fall, and longer-term and

lower rated securities are more volatile than shorter-term and higher rated securities.

Interest rate risk. Generally fixed income securities decrease in value if interest rates rise and increase in value if interest rates fall, with longer-term securities being more sensitive than shorter-term securities. For example, the price of a security with a three-year duration would be expected to drop by approximately 3% in response to a 1% increase in interest rates. Generally, the longer the maturity and duration of a bond or fixed rate loan, the more sensitive it is to this risk. Falling interest rates also create the potential for a decline in income. Changes in governmental policy, rising inflation rates, and general economic developments, among other factors, could cause interest rates to increase and could have a substantial and immediate effect on the values of investments. In addition, a potential rise in interest rates may result in periods of volatility and increased redemptions that might require Liquid Strategies to liquidate portfolio securities at disadvantageous prices and times.

Risk of Loss. Before deciding whether to invest in any of the above outlined strategies, prospective investors should carefully consider the risk factors associated with investing, which may cause investors to lose money.

Item 9- Disciplinary Information

Liquid Strategies and its employees have not been involved in any legal or disciplinary events that would be considered material to a client's evaluation of the company or its personnel.

Item 10- Other Financial Industry Activities and Affiliations

- A. IMST Distributors, LLC, an unaffiliated broker-dealer, distributes the Theta Income Fund and sponsors certain employees whose job responsibilities require they be registered as broker-dealer representatives.
- B. Foreside Fund Services, LLC, an unaffiliated broker-dealer, distributes the ETFs.
- C. Liquid Strategies serves as investment adviser to a no-load mutual fund portfolio within the Investment Manager Series Trust, which is not affiliated with Liquid Strategies. In some situations, the fund may be viewed as an economical alternative to individually managed separate accounts.
- D. Liquid Strategies serves as investment adviser to ETFs within the Listed Funds Trust, which is not affiliated with Liquid Strategies.
- E. The firm does not recommend or select other investment advisers for our clients.
- F. The firm maintains a revolving line of credit with a current institutional client.
- G. The firm maintains a revenue sharing agreement with Advocacy Wealth Management, LLC ("Advocacy") and unaffiliated investment advisor. This arrangement does not create a material conflict of interest for clients of Liquid Strategies See Item 14 for further details.

Item 11- Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

At times Liquid Strategies' employees may buy or sell securities for their own account(s) which are also recommended to its Clients. To avoid any potential conflicts of interest involving personal trades, Liquid Strategies requires all employees to strictly comply with the Code of Ethics. Liquid Strategies' Code of Ethics requires, among other things, that employees:

- Act within an ethical manner with the public, Clients, prospective Clients and investors;
- Place the interests of Clients above their own personal interests;
- Not take inappropriate advantage of their position;
- Avoid actual or potential material conflict of interest;
- Conduct all personal securities transactions in a manner consistent with this policy;
- Use reasonable care and exercise independent professional judgment when conducting investment analysis, making investment recommendations, taking investment actions, and engaging in other professional activities;
- Uphold the rules governing, capital markets;
- Comply with applicable provisions of the federal securities laws.

Liquid Strategies' Code of Ethics also requires employee to: 1) pre-clear certain option transactions designated by the firm prior to placing personal trades in them, 2) report personal securities transactions on at least a quarterly basis, and 3) provide Liquid Strategies with a detailed summary of certain holdings (both initially upon commencement of employment and annually thereafter) over which such employee have a direct or indirect beneficial interest. Employees use an automated system to adhere to the procedures within the Code of Ethics.

A copy of Liquid Strategies' full Code of Ethics is available upon request.

Item 12- Brokerage Practices

A. Although Liquid Strategies seeks competitive brokerage arrangements, Clients will not necessarily pay the lowest brokerage rates available. The compensation paid to any one broker-dealer may be greater than the amount charged by another firm for executing the same transactions if Liquid Strategies determines in good faith that such compensation is reasonable in relation to the value of the brokerage and research services provided. Selecting brokers on the basis of considerations which are not limited to commission rates may result in higher transaction costs.

1. Research and Other Soft Dollar Benefits.

As of the time of filing this brochure Liquid Strategies does not utilize soft dollar benefits.

2. Brokerage for Client Referrals.

Liquid Strategies does not receive client referrals from broker-dealers or third parties and thus does not have an incentive to select or recommend certain broker-dealers.

3. Directed Brokerage.

- a. Liquid Strategies does not routinely recommend, request or require that a client direct us to execute transactions through a specified broker-dealer.
- b. On occasion, a Client may direct Liquid Strategies to execute securities transactions for their account through a specific broker-dealer. This instruction shall be construed as a "directed brokerage arrangement." In such circumstances, the Client is responsible for negotiating the terms of the directed brokerage arrangement. Liquid Strategies will not seek better execution services or prices from other broker-dealers and may not be able to aggregate the Client's transactions with orders for other Client accounts for execution through other broker-dealers. As a result, Clients may or may not pay materially disparate commissions, greater spreads or other transactions costs, or receive less favorable net prices on transactions than would otherwise be the case.

B. Orders for the same security entered on behalf of more than one Client will generally be aggregated if the aggregation is in the best interests of all participating Clients. Subsequent orders for the same security entered during the same trading day for Clients may be aggregated with any previously unfilled orders. Filled orders may be allocated separately from subsequent orders or in instances where the market price of the security has not materially changed, subsequent orders may be aggregated with filled orders. Clients participating in an aggregated order shall receive the average price and pay a pro rata portion of commissions subject to any applicable broker dealer minimum ticket charges. Liquid Strategies aggregates the purchase and sale of securities for various client accounts when conditions allow for it. Some client

accounts are limited as to which brokers may be used to execute trades on their behalf. In those cases, prices for purchases or sales could be better or worse than other client accounts without such limits.

Item 13- Review of Accounts

- A. Members of the portfolio management team review client accounts and portfolios on at least a periodic basis.
- B. Clients are provided with at least quarterly appraisals that include cost basis and current market values. An accompanying letter summarizes Liquid Strategies' investment performance results and a brief discussion of the market environment.

Item 14- Client Referrals and Other Compensation

- A. As noted in Item 10 above Liquid Strategies maintains a revenue sharing arrangement with Advocacy. As a seed investor for the firm, the arrangement allows Advocacy to participate in asset growth at the firm for non-Advocacy related assets. The compensation structure is contractually based on net revenue of certain assets as of the end of each quarter.

Item 15- Custody

All client assets are held in custody by unaffiliated broker/dealers or banks. Clients should receive at least quarterly statements from the broker/dealer, bank or other qualified custodian maintaining their assets. Liquid Strategies urges Clients to carefully review and consider those statements to be the official custodial record. Quarterly Client updates that we provide may differ and should be considered supplemental information to the custodial statements.

Item 16- Investment Discretion

Liquid Strategies has discretionary authority to determine which securities or instruments to buy or sell, the total amount of securities or instruments to buy or sell, the executing broker or dealer for a transaction and the commission rates or commission equivalents paid for transactions. These terms are outlined in our investment management agreements.

Item 17- Voting Client Securities

- A. Per the fundamental strategy of the firm, the Adviser will only be invested in individual securities with voting rights on an infrequent basis. Individual securities assigned will be sold within a week; therefore, we believe the incidence of the Adviser holding the security on record date of a proxy will be rare. However, in preparation for such a

highly unlikely event, the Adviser shall vote Client proxies in a way that it believes will cause securities to increase the most, or decline the least, in value in order to maximize shareholder value. Consideration will be given to both the short- and long- term implications of the proposal to be voted on.

Liquid Strategies maintains a record of all proxy votes cast on behalf of Clients as applicable, which is available to Clients upon request. In addition, Liquid Strategies proxy voting policies and procedures are available upon request.

Item 18- Financial Information

Our firm accepted a Paycheck Protection Program loan from the Small Business Association through the Coronavirus Aid, Relief, and Economic Security Act. The loan was accepted in order to continue payroll for certain employees. We have not experienced any inability to continue to service our clients and operations remain stable.