AETOLIA CAPITAL LLC.

Form ADV Part 2A - Brochure

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This brochure provides information about the qualifications and business practices of Aetolia Capital, LLC. If you have any additional questions about the contents of this Brochure, please contact us at (302) 534-4446. 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.

Aetolia Capital, LLC is a registered investment advisor. Registration as an investment advisor does not imply a certain level of skill or training.

Additional information about Aetolia Capital, LLC is available on the SEC's website at http://www.adviserinfo.sec.gov.

Item 2. Material Changes

Since the last update to this brochure on March 23, 2023, Aetolia Capital has made no material changes to this disclosure brochure.

Item 3. Table of Contents

Item 4. Advisory Business

Aetolia Capital, LLC (“Adviser”) has been in existence since February 2017. Adviser is owned by John Anagnos. Adviser is actively engaged in providing investment management and investment advisory services to separately managed accounts.

References throughout this document to “clients” are deemed to refer to the separately managed accounts managed by Adviser, unless the context clearly suggests otherwise. Adviser generally invests and trades on behalf of clients in a wide variety of securities and financial instruments, domestic and foreign, of all kinds and descriptions.

Adviser generally does not permit clients to impose limitations on the investment activities described in the investment strategy. Under certain circumstances, Adviser will contract with a client to adhere to limited risk and/or operating guidelines imposed by the client. Adviser negotiates such arrangements on a case by case basis.

Clients have the right to cancel their agreement with Adviser within five (5) business days of receiving this brochure without penalty.

As of December 31, 2023, Adviser managed $28,387,709 of regulatory assets under management on a discretionary basis.

Item 5. Fees and Compensation

Adviser is compensated for its investment management services on the basis of fees calculated as a percentage of assets under management. Adviser’s fees and compensation are described in the advisory contracts it enters into with its clients.

Adviser may allocate a portion of its clients’ capital to third-party advisers, money managers, mutual funds, money market funds or exchange-traded funds. In addition to the fees and expenses discussed below, clients will indirectly incur similar fees and expenses if Adviser invests their capital with such third-parties. Clients will be independently responsible for such fees and costs. Total fees will not exceed 3% of assets under management per year.

For Separately Managed Accounts:

Fees based on percentage of assets under management are calculated by multiplying the fair market value of the cash and securities in the portfolio as of the close of the calendar month by the applicable fee rate(s) prorated for any partial month, including upon the termination of the relevant advisory contract.

Except as noted below, Adviser’s fees are generally payable monthly in arrears. Fees are generally deducted from client accounts subject to terms and conditions that are detailed in each client’s Investment Management Agreement (“IMA”). Alternative frequency of payments and/or methods of calculation may be available, where appropriate and upon the client's request. However, in accordance with state law, all fees deducted from the client's account will be deducted in the manner:

- The client must provide written authorization permitting the fees to be paid directly from the clients account held by independent custodian.

- Adviser will send to the custodian written notice of the amount of the fee to be deducted from the account. The custodian agrees to send the client a statement directly, at least quarterly, indicating all the amounts disbursed from the account including the amount of advisory fees paid directly to Adviser. The custodian of the account is advised in writing of the limitation on Adviser's access to the account. Adviser does not and will not have custody of client's funds and securities.

- Adviser sends to the client an invoice showing the amount of the fee, including any formulae used to calculate the fee, the time period covered by the fee and the amount of assets under management the amount of fee was based. Adviser advises the client that it is the client's responsibility to verify the accuracy of the fee calculation and that the custodian will not determine whether the fee is properly calculated.

- Adviser shall only utilize the custodial services of the "Qualified Custodian."

Fee Schedule:

ON CASH AND SECURITIES TOTALING:

1.5% per annum on $250,000 - $999,999 assets under management
1.35% per annum on $1,000,000 – 1,999,999 assets under management
1.25% per annum on $2,000,000 – 4,999,999 assets under management
1.00% per annum on $5,000,000 – 9,999,999 assets under management
Negotiable above $10,000,000 assets under management.

However, different fee schedules may be established for certain accounts managed by us that pursue various strategies. Such fee schedules are contained in such accounts respective IMA's. The fees for such accounts are payable monthly in arrears.

Different fee schedules than those described above may be available to accounts with higher amounts of assets under management. In certain circumstances, fees may be subject to negotiation, and fees may be modified for certain clients. The reasons for modifications include the complexity and level of service provided, the number of different accounts and the total assets under management for an investor and its related persons, or other circumstances that Adviser deems relevant. Certain accounts of persons affiliated with Adviser may be managed without fees or at reduced fees.

Adviser's fees do not include other expenses incurred by clients in connection with our investment advisory services such as brokerage costs. See Item 12 entitled *Brokerage Practices* on page 12 for additional information.

Investment management and investment advisory contracts between Adviser and its clients can be terminable at any-time upon 30-days-notice. In the event of termination, advisory fees will be prorated over the period during which investment management or investment advisory services were provided.

Item 6. Performance-Based Fees And Side-by-Side Management

Adviser is not compensated for its investment management services on the basis of fees calculated from performance-based fees or allocations.

Adviser may buy or sell securities for one client at the same time that it or its related persons buy or sell the same security for one or more other clients. This will typically happen when more than one client is capable of purchasing or selling a particular security based on investment objectives, available cash and other factors. This may create a conflict of interest if one account may benefit from making the trade before or after the other account. Adviser generally allocates investment opportunities *pro rata* based on the capital of client accounts. However, allocations may be made on a basis other than *pro rata* for a number of reasons, including, but not limited to: the investment objectives and restrictions of each client, available cash, liquidity requirements, tax or legal reasons, to avoid odd lots, or in cases in which such an allocation would result in a *de minimis* allocation to a client.

In addition, Adviser has adopted a Code of Ethics that was written and implemented in an effort to avoid potential conflicts resulting in unfair treatment of any client account. Adviser will provide a copy of its Code of Ethics to any client or prospective client upon request.

Item 7. Types of Clients

Adviser provides investment management services to individuals, households and high net worth individuals who open an Internet account with Adviser. Adviser generally requires a minimum initial investment of $250,000, although exceptions may be made if circumstances warrant on a case-by-case basis. Separately managed accounts may also be opened at smaller asset levels if growth is expected within a reasonable timeframe, if a relationship exists between the underlying investor and an existing investor, if the investor is one of several investors referred to Adviser by the same person or entity, or if Adviser deems it appropriate.

Item 8. Method of Analysis, Investment Strategies and Risk of Loss

Overview

Adviser seeks to generate superior long-term returns while minimizing risk through strict adherence to a disciplined investment process. The investment process is based on macroeconomic analysis and practical insights to provide innovative investment solutions to meet our clients' respective needs.

Investment Philosophy

Adviser operates an investment advisory service business which will offer clients options to invest in various types of strategies according to the client's particular investment objectives and risk tolerance.

The Adviser's portfolio options identify investment opportunities by following a fundamental, intensive research-driven process along with quantitative and technical analysis.

Investment Strategy

Adviser's goal is providing superior investment risk-adjusted returns for its clients that are consistent with the client's investment profile and risk tolerance.

Portfolio Monitoring

Adviser monitors clients' investments once they becomes portfolio holdings on a regular basis, not less than quarterly. The metrics monitored for each portfolio may vary according to the investment objectives and risk tolerance of each client. Client portfolio monitoring will include ongoing reviews and updates to the client's objectives and risk parameters, which will be available through the client's reports.

Certain Risks Associated with Methods of Analysis and Investment Strategies

Adviser's investment strategies involve significant risks. A discussion of the material risks is provided below. Prospective investors are urged to review each separate account's investment management agreement and investment policy guidelines.

Concentration of Investments. Each separate account is not restricted in the amount of its capital that it may commit to any single security, geographic region, industry, sector or market, and at times each account may hold a relatively large concentration in a particular security, geographic region, industry, sector or market. Losses incurred in those positions could have a material adverse effect on each separate account's overall financial condition. This is because the value of each separate account will be more susceptible to any single occurrence affecting one or more of those issuers, geographic regions, industries, sectors or markets than would be the case with a more diversified investment portfolio.

Investment and Trading Risks. All investments risk the loss of capital. Adviser believes that each separate account's trading program and Adviser's trading techniques will moderate this risk. However, no guarantee or representation is made that each separate account's trading program will be successful or that each account will not incur losses. Each separate account's trading program may utilize techniques including, but not limited to, the use of leverage and short sales, which in practice can, in certain circumstances, increase the adverse impact to which the account may be subject.

Adviser will attempt to assess the foregoing risk factors, and others, in determining the extent of the position it will take in the relevant positions and the price it is willing to pay for such positions. However, such risks cannot be eliminated.

Risk of Default or Bankruptcy of Third Parties. Adviser intends to engage in transactions in securities and financial instruments that involve counterparties. Under certain conditions, a separate account could suffer losses if a counterparty to a transaction were to default or if the market for certain securities and/or financial instruments were to become illiquid. In addition, the separate account could suffer losses if there were a default or bankruptcy by certain other third parties, including brokerage firms and banks with which the separate account does business, or to which securities have been entrusted for custodial purposes. For example, if one of each separate account's brokers or custodians were to become insolvent or file for bankruptcy, the separate account could suffer significant losses with respect to any securities held by such firm.

Equity Securities. Each separate account may from time to time trade in both listed securities that are traded on a securities exchange and unlisted securities that are traded over-the-counter. The volume of trading in unlisted securities is generally less than that found on securities exchanges. Therefore, it may be more difficult to buy and sell these securities, which increases the volatility of their share prices. Equity securities fluctuate in value in response to many factors, including the activities and financial condition of issuers, the market in which such companies compete as well as market conditions and general economic environments.

Exchange Traded separate accounts ("ETFs"). Each separate account may trade in ETFs. ETFs are generally structured to invest in all or a representative sample of the securities that generally replicate the price and yield performance of an underlying market index or sector such as a broad stock market, industry sector, domestic or international equity or fixed income, or U.S. or foreign government bond. ETF shares are traded on stock exchanges and markets at open market prices that generally track the net asset value per share of the ETF. Direct issuances and redemption of ETF shares at the ETF's net asset value per share only occur in large blocks (or creation units) transacted between the ETF and authorized institutional purchasers on an in-kind basis. An exchange traded sector fund may be adversely affected by the performance of that specific sector or group of industries on which it is based. International investments may involve risk of capital loss from unfavorable fluctuations in currency values, differences in generally accepted accounting principles, or economic, political instability in other nations and/or other factors. Although index-based ETFs are designed to provide investment results that generally correspond to the price and yield performance of their respective underlying indices, ETFs may not be able to replicate exactly the performance of the indices because of their expenses and other factors. ETF shares may trade at either a discount or premium to their underlying net asset value. The purchase or sale of ETF shares on the secondary market involves the payment of brokerage commissions, and the purchase and redemption of creation units involves other transaction costs and brokerage commissions. Investors in ETFs also directly bear the ETF's costs associated with its payment of investment management fees and fees for administrative, custodial or other services and thus the limited partners will indirectly incur an additional layer of fees and expenses.

Closed End separate accounts. Each separate account may trade in closed end funds. Closed end funds may be used as a mechanism to gain or hedge exposure to certain types of investments in a manner that is more efficient than direct investments or other securities. However, due to the fact that closed end funds very often trade at discounts, there is no assurance that Adviser will be able to achieve the same effectiveness as direct investments.

Fixed Income Securities. Each separate account may trade, directly or indirectly, in bonds or other fixed income securities of U.S. and non-U.S. issuers, including, without limitation, bonds, notes and debentures issued by corporations, or debt securities issued or guaranteed by a sovereign government or one of its agencies or instrumentalities. Fixed income securities pay fixed, variable or floating rates of interest. The value of fixed income securities will change in response to fluctuations in interest rates. In addition, the value of certain fixed income securities can fluctuate in response to perceptions of credit worthiness, political stability or soundness of economic policies. Fixed income securities are subject to the risk of the issuer's inability to meet principal and interest payments on its obligations (*i.e.*, credit risk) and are subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity (*i.e.*, market risk).

Each separate account may trade, directly or indirectly, in fixed income securities which are not protected by financial covenants or limitations on additional indebtedness. In addition, evaluating credit risk for foreign debt involves greater uncertainty because credit rating agencies throughout the world have different standards, making comparison across countries difficult.

Price Risk. For reasons not necessarily attributable to any of the risks set forth herein (for example, supply/demand imbalances or other market forces), the prices of the instruments in which the separate account trades may decline or rise substantially. In particular, purchasing assets at prices that may appear to be "undervalued" levels is no guarantee that such assets will not be trading at even more "undervalued" levels at the time of valuation or at the time of sale. Similarly, shorting assets at prices that may appear to be "overvalued" levels is no guarantee that such assets will not be trading at even more "overvalued" levels at the time of valuation or at the time of sale.

Competition. The securities industry and the varied strategies and techniques to be engaged in by Adviser are extremely competitive and each involves a degree of risk. Each separate account will compete with firms, including many of the larger securities and investment banking firms, which have substantially greater financial resources and research staffs.

Changes and Uncertainty in U.S. and International Regulation. Each separate account may be adversely affected by uncertainties such as international and domestic political developments, changes in government policies, taxation, restrictions on foreign investment and currency repatriation, currency fluctuations and other developments in the laws and regulations of the countries to which the separate account is exposed through its investments or investor base. The tax and regulatory environment for hedge funds is evolving, and changes in the regulation or tax treatment of hedge funds and their investments may adversely affect the value of positions held by the separate account, and may impair its ability to pursue its trading strategy. During this period of uncertainty, market participants may react quickly to unconfirmed reports or information and as a result there may be increased market volatility. This unpredictability could cause Adviser to alter investment and trading plans, including the holding period of positions and the nature of instruments used to achieve each separate account's trading objective.

Item 9. Disciplinary Information

Registered investment advisors are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Adviser or the integrity of Adviser's management. Adviser has no information to disclose.

Item 10. Other Financial Industry Activities and Affiliations

Adviser is not engaged in any other business and has no affiliation which would cause a conflict of interest with Adviser's investment advisory and management business.

Adviser has adopted a Code of Ethics that was written and implemented in an effort to avoid potential conflicts resulting in unfair treatment of any client account. Adviser will provide a copy of its Code of Ethics to any client or prospective client upon request.

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

Adviser permits its employees to engage in person securities transactions, and to purchase and sell securities that may be held by or may be suitable for investment by client accounts. Personal securities transactions may result in potential conflicts of interest with Adviser clients. Accordingly, Adviser has adopted policies (Adviser's Code of Ethics) designed to mitigate conflicts of interest and the potential appearance of impropriety in an employee's personal action. In order to ensure compliance with this policy, each Adviser employee is required submit duplicate copies of all statements generated by any broker-dealer for that employee's account.

Adviser restricts the purchase and sale by its personnel for their own accounts for securities that have been or are being considered for purchase or sale for client accounts. For across the board trades, personnel are not to engage in a transaction in the same security while an order for a client's account is pending and until after all pending transactions for client accounts have completed. Furthermore, any purchases or sales by Adviser personnel for securities that are held, recently sold, or under consideration are subject to compliance with adopted policies (Adviser's Code of Ethics).

Adviser has adopted a Code of Ethics that was written and implemented in an effort to avoid potential conflicts resulting in unfair treatment of any client account. Adviser will provide a copy of its Code of Ethics to any client or prospective client upon request.

Item 12. Brokerage Practices

Adviser executes trades on behalf of its separately managed account clients with the broker of record for the account. Client commission dollars are not negotiated by Adviser and are determined by the client and broker of record.

Adviser will generally aggregate client trades where multiple client accounts are held in custody at the same broker of record. Aggregation, or "bunching," describes a procedure whereby an investment adviser combines the orders of two or more clients into a single order for the purpose of obtaining better prices and lower execution costs. Aggregation opportunities for us generally arise when more than one client is capable of purchasing or selling a particular security based on investment objectives, available cash and other factors. Adviser may aggregate client orders when doing so will result in a better overall price for client trades. Adviser will generally aggregate orders for the same security unless aggregation is not consistent with Adviser's duty to seek best execution and the terms of the investment guidelines and restrictions of each client for which trades are being aggregated. Each client that participates in an aggregated order will participate at the average price for all of the transactions in that security on a given business day, with transaction costs shared *pro rata* based on each client's participation in the transaction. Brokerage commission rates are not reduced as a result of such aggregation.

Adviser does NOT enter into soft dollar arrangements with brokers to obtain research or other products/services for itself.

Adviser executes securities transactions on behalf of clients with broker-dealers that provide it with access to proprietary research reports (such as standard investment research and credit reports). To Adviser's knowledge, these services are generally made available to all institutional investors doing business with such broker-dealers. These bundled services are made available to Adviser on an unsolicited basis and without regard to the rates of commissions charged or paid by clients or the volume of business that Adviser directs to such broker-dealers.

Some of Adviser's investment research services subscribers/clients (i.e. institutions and other advisers) may pay Adviser through soft dollar arrangements with broker-dealers. As a research provider, some clients may choose to pay for our services with their client commissions that would otherwise be borne by our adviser clients.

Item 13. Review of Accounts

Adviser's account opening and review procedures requests information concerning a client's personal financial information. Adviser requests updated information from clients on an ongoing basis, and meets with clients no less than annually. Clients may incorporate updated information into the account documents at any time through the client's investment adviser representative. The Chief Compliance Officer will also review client accounts on at least an annual basis.

Adviser provides the owners of the separately managed accounts it manages with quarterly unaudited reports at such times as the owners of such accounts and Adviser agree. The custodians of such accounts send account statements to the owners of such accounts no less frequently than monthly. In addition, since a managed account investor directly owns the positions in its separately managed account, such investor may have full, real-time transparency as to all transactions and holdings in such account. The investors in such separately managed accounts may have the right to terminate at any time upon 30 days-notice.

Item 14. Client Referrals and Other Compensation

This Item requires an investment adviser to provide information relating to its arrangements with third-parties through which it receives compensation from a third-party for providing investment management services to its clients or through which it provides compensation to third-parties for client referrals. Adviser does not receive any economic benefit, directly or indirectly, from any third party for advice rendered to clients. Adviser does not pay for solicitor or referral services.

Item 15. Custody

Other than the "limited" custody that Adviser exercises for client-authorized direct deductions of fees from accounts held by a Qualified Custodian, Adviser does not have custody of any client account, funds or securities. Adviser's clients maintain accounts with a Qualified Custodian. The custodian sends periodic reports to each client and Adviser urges each client to carefully review those statements. Adviser's statements may vary from custodial statements based on accounting procedures or reporting dates.

Item 16. Investment Discretion

Investment management accounts are managed on a discretionary basis, meaning that Adviser may determine the investments and amount of investments to purchase, sell or hold without prior instruction or authorization from the Client. On a case by case basis, owners of the separately managed accounts may incorporate certain risk and/or operating guidelines that Adviser will adhere to when exercising our discretionary authority over such accounts. Such risk and/or operating guidelines are described in each client's Investment Management Agreement and available on the Internet-based account opening statement.

Item 17. Voting Client Securities

Adviser will not vote proxies as part of its discretionary authority to manage clients' accounts.

Item 18. Financial Information

This Item requires investment advisers to provide certain financial information or disclosures about their financial condition. Adviser does not require or solicit prepayment of more than $1,200 in fees per client, six months or more in advance. Therefore it is not required to include a balance sheet with this Brochure. Adviser has no financial hardships or other conditions that might impair its ability to meet its contractual obligations to clients. Adviser has not been the subject of a bankruptcy proceeding.

Item 19. Requirements for State-Registered Advisers

A. Identify each of Adviser's principal executive officers and *management persons*, and describe their formal education and business background.

John Anagnos

Education

Fox School of Business, Temple University

MBA, Concentration in Finance, 1998

Wharton School of Business, University of Pennsylvania

BS, Business Administration, Concentration in Management, 1991

Employment History

Aetolia Capital, LLC — June 2017 - Present

Oppenheimer & Co., — July 2013 – June 2017
Senior Director, Investments, Portfolio Manager
Philadelphia, PA

Morgan Stanley — March 2003 – July 2013
Associate Vice President Portfolio Manager, Branch Manager
Greenville, DE

CIBC Oppenheimer — September 2000 – March 2003
Account Executive – Private Client Group

New York, NY

B. Describe any business in which Adviser is actively engaged (other than giving investment advice) and the approximate amount of time spent on that business.

Adviser is not actively engaged in any business other than providing investment advisory and management services to customers.

Adviser has adopted a Code of Ethics that was written and implemented in an effort to avoid potential conflicts resulting in unfair treatment of any client account. Adviser will provide a copy of its Code of Ethics to any client or prospective client upon request.

C. In addition to the description of Adviser's fees in response to Item 5 above, if Adviser or a *supervised person* is compensated for advisory services with *performance-based fees*, explain how these fees will be calculated.

Adviser does not charge performance fees.

D. If Adviser or a *management person* has been *involved* in one of the disciplinary events listed below, disclose all material facts regarding the event.

1. An award or otherwise being *found* liable in an arbitration claim alleging damages in excess of $2,500, *involving* any of the following:

> (a) an investment or an *investment-related* business or activity;
> (b) fraud, false statement(s), or omissions;
> (c) theft, embezzlement, or other wrongful taking of property;
> (d) bribery, forgery, counterfeiting, or extortion; or
> (e) dishonest, unfair, or unethical practices.

Adviser has nothing to disclose.

2. An award or otherwise being *found* liable in a civil, *self-regulatory organization*, or administrative *proceeding involving* any of the following:

> (a) an investment or an *investment-related* business or activity;
> (b) fraud, false statement(s), or omissions;
> (c) theft, embezzlement, or other wrongful taking of property;
> (d) bribery, forgery, counterfeiting, or extortion; or
> (e) dishonest, unfair, or unethical practices.

Adviser has nothing to disclose.

E. In addition to any relationship or arrangement described in response to Item 10.C., describe any relationship or arrangement that the firm or any *management persons* have with any issuer of securities that is not listed in Item 10.C.

Adviser has no relationship with any issuer of securities.