ACARA Capital Management, LLC

Firm Brochure

Form ADV Part 2A

This brochure provides information about the qualifications and business practices of ACARA Capital Management, LLC (Here in "ACARA" or "Adviser"). If you have any questions about the contents of this brochure, please contact us at (410) 271-5782 or by email at: fletcher.perkins@acarawealth.com. 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.

Additional information about ACARA Capital Management, LLC is also available on the SEC's website at www.adviserinfo.sec.gov. ACARA Capital Management, LLC's CRD number is: 293864.

ACARA Capital Management, LLC
4200 Clagett Rd
Hyattsville, MD 20782
(410) 271-5782
fletcher.perkins@acarawealth.com

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Registration does not imply a certain level of skill or training.

Item 2: Material Changes

ACARA has no material changes to report since last annual amendment on 03/15/2023. Material changes relate to ACARA's policies, practices, or conflicts of interests.

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Item 4: Advisory Business

Item 4A. Advisory Firm Description

ACARA Capital Management, LLC (“ACARA” or “Adviser”) is a Limited Liability Company organized in, and registered with, the state of Maryland as an investment adviser. The firm was formed in January 2018. The principal owners are Fletcher Driggs Perkins and Jennifer Parker Perkins.

Item 4B. Advisory Service Types

ACARA usually manages accounts in one of its defined investment strategies: ACARA Focused, ACARA Ultra-Focused and ACARA Diversified (collectively “ACARA Strategies”). Occasionally, ACARA creates custom portfolios for clients beyond these strategies. See Item 8A for a description of the ACARA Strategies.

Item 4C. Client Tailored Services and Client Imposed Restrictions

Wealth builds through the compounding of returns. ACARA believes that the best way to service clients is to focus on its investment process.

ACARA Strategy accounts are grouped by strategy. Trades are ordinarily executed as block trades by group. To implement this model ACARA requires discretionary authority from all clients.

The grouping of accounts creates an efficient operating platform for ACARA allowing the firm to focus on its investment process. However, it may at times create adverse tax consequences for individual clients.

While the ACARA Strategies are not tailored to the needs of any one client, ACARA may carve out individual portfolios from the ACARA strategies or create custom portfolios for clients to satisfy short-term client requests. Some common examples of client requests include tax loss harvesting and short-term liquidity needs.

Item 4D. Wrap Fee Programs

A wrap fee program is an investment program where the investor pays one stated fee that includes management fees, transaction costs, fund expenses, and other administrative fees.

ACARA does not participate in any wrap fee programs.

ACARA has the following assets under management including both client (fee paying) and ACARA's principal owners' (non-fee paying) accounts:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
$ 19,179,326.00	$0.00	31-Dec-23

Item 5: Fees and Compensation

Item 5A. Fee Schedule

The Adviser charges each client an investment management fee based on the value of the account's assets under management. Investment management fees are calculated each quarter based upon the average daily value of the assets in the account during the prior billing period. The standard fee is an annual rate of one percent.

ACARA may charge different fees for different accounts based on factors including, but not limited to, the amount of assets under management and the investment program selected for the account. The final fee schedule for each account is memorialized in the client's advisory agreement. Clients may terminate the advisory agreement without penalty at any time upon written notice.

Item 5B. Payment of Fees

Advisory fees are paid quarterly in arrears. The advisory fee is calculated using the average daily value of the assets in the account during the prior billing period. Upon termination of the investment advisory agreement, the prorated balance of unpaid management fees will be due.

The process for paying advisory fees may vary by custodian.

In the case of Interactive Brokers (IB), the client requests and authorizes IB to deduct from the client's IB account advisory fees and to disburse those fees directly to the Adviser, based on the fee arrangement(s) that the client has agreed upon and specified to IB. If the Adviser bills the client directly for fees, or if the Adviser does not charge the client a fee for Advisory services, the client will specify that to IB and IB will not deduct fees.

Item 5C. Client Responsibility for Third Party Fees

Clients are generally responsible for the payment of all third-party fees, including but not limited to custodian fees, brokerage fees, mutual fund fees, and transaction fees. Third-party fees are separate and distinct from the fees and expenses charged by ACARA. Please see Item 12 of this brochure regarding the selection of broker dealer/custodians.

Item 5D. Prepayment of Fees

ACARA does not request any prepayment of fees. ACARA's management fee is paid quarterly in arrears.

Item 5E. Outside Compensation for the sale of Securities to Clients

Neither ACARA nor its supervised persons accept any compensation for the sale of securities to clients.

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

Item 6A. Performance-based fees and Side-By-Side Management

ACARA does not accept performance-based fees. See Item 5 for a description of ACARA's fees and compensation.

Item 7: Types of Clients

Item 7A. Types of Clients

ACARA generally provides advisory services to the following types of clients:

- Individuals
- High-Net-Worth Individuals

Generally, ACARA seeks a minimum initial account size of $200,000 or more. At its discretion ACARA may accept accounts that don't meet its desired minimum account size.

Item 8: Methods of Analysis, Investment Strategies, & Risk of Loss

Item 8A. Investment Strategies and Methods of Analysis

ACARA usually manages accounts in one of its defined investment strategies: ACARA Focused, ACARA Ultra-Focused and ACARA Diversified (collectively "ACARA Strategies"). Occasionally, ACARA creates custom portfolios for clients beyond these strategies.

The ACARA Focused strategy seeks capital appreciation through investments in equities and exchange traded funds (ETFs). It targets firms with competitive advantages and growth potential. The strategy has considerable latitude to invest in a variety of securities, typically equity securities of domestic and foreign companies as well as ETFs. The strategy is indifferent to sector and geographic weightings and does not attempt to emulate an index. Often, the strategy aims to generate returns through concentrated and at times extremely concentrated investments in individual securities. As such, the strategy risks materially adverse outcomes, including the loss of capital and may exhibit substantial volatility.

The ACARA-Ultra Focused strategy seeks capital appreciation through investments in equities and exchange traded funds (ETFs). It targets firms with competitive advantages and growth potential. The strategy has considerable latitude to invest in a variety of securities, typically equity securities of domestic and foreign companies as well as ETFs. The strategy is indifferent to sector and geographic weightings and does not attempt to emulate an index. Often, the strategy aims to generate returns through extremely concentrated positions and market timing, resulting in the potential for extreme volatility, single security risk and the permanent loss of capital.

The ACARA Diversified strategy aims to deliver capital appreciation by owning ETFs with exposure to specific themes and market segments. The objective of this strategy is to generate capital appreciation with a more diversified investment approach compared to ACARA's other strategies.

ACARA aims to be pragmatic when investing assets within the ACARA Strategies. When individual equities meeting its criteria are scarce ACARA may use other securities such as mutual funds, ETFs, fixed income securities, real estate funds (including Real Estate Investment Trusts ("REITs"), treasury linked bonds, commodities, non-U.S. securities, and other instruments including cash and equivalents.

ACARA's methods of analysis generally include, but are not limited to, one or more the following approaches:

Cyclical Analysis: Cyclical analysis involves the analysis of business cycles to find favorable conditions for buying and/or selling a security.

Fundamental analysis: Fundamental analysis generally involves the analysis of financial statements, the general financial health of companies, along with an analysis of management and competitive advantages.

Technical analysis: Technical analysis uses patterns in market data to identify trends and make predictions regarding the price movement of individual equities and/or market sectors.

Qualitative analysis: Qualitative analysis uses subjective judgment based on soft or non-quantifiable data.

Quantitative analysis: Quantitative analysis deals with measurable factors as distinguished from qualitative considerations. Quantitative considerations may include the value of assets, the cost of capital, historical trends of sales and margins, among other variables.

ACARA believes that companies are worth the discounted value of all future cash flows. Its research targets companies with high value opportunities that it believes are under-appreciated by the market. ACARA seeks to avoid extreme negative outcomes by limiting its exposure to companies that it believes to have high financial leverage, weak competitive moats, or extended valuations.

Past performance is not indicative of future results. Investing in securities including those held in the ACARA portfolios involve a risk of loss and potentially permanent losses that you, as a client, should be prepared to bear.

Item 8B. Material Risks Involved

Investment Strategies:

Events, both unforeseen and those believed to have a low probability of occurrence can meaningfully impact the value of any one security and potentially the entire market. Some outcomes may result in the permanent loss of capital which our clients must be prepared to bear. ACARA classifies these risks as systematic and unsystematic risks.

Systematic risk, or market risk, is integrated into the investment market. It cannot be eliminated through diversification, or the act of purposely varying the investments in portfolios to reduce risk. Some examples of systemic risk include:

- Economic risk: Fear of adverse macro-economic outcomes often has a negative impact on stock market values.
- Purchasing power risk (inflation risk): Purchasing power risk, also known as inflation risk, is the chance that inflation will decrease the real value of an investor's assets.
- Reinvestment rate risk: This is the type of risk in which proceeds that are available for reinvestment must be reinvested at a lower rate of return than the investment that generated the proceeds.
- Interest rate risk: Interest rate risk is the chance that changes in interest rates would affect the value of the security. When interest rates rise, the value of bonds will generally fall, and will usually raise discount rates negatively impacting stock prices.
- Exchange rate risk (currency risk): Exchange rate risk is the risk that a change in the value of the dollar and the value of the foreign currency during the period of the investment will affect the investor's return negatively. Exchange rate risk can affect investments in a foreign company or a domestic company that has suppliers or customers in other countries.

Unsystematic risk, or non-market risk, is unique to a single security, business, industry, or country. Some examples of unsystematic risks include, but are not limited to, the following:

- Business risk: The risk that a company will not achieve its forecast levels of operating income.
- Financial risk: The risk that the firm's financial structure will negatively affect the value of an investment. Businesses, government entities, financial markets, and individuals can all be subjected to financial risk. For instance, a company's cash flow could not be enough to cover its liabilities, or a government could default on its bonds.
- Default risk: Default risk is the risk that a borrower will not be able to satisfy its debt obligation.
- Political risk: This is the risk that the politics or the economy of a country can negatively affect investments. Some examples of political risk include trade barriers, taxes, legislation, and administration.
- Investment manager risk: Investment manager risk is the risk that is associated with the skills of the manager of an investment fund or account. It can refer to changes in investment style or the change in the management team. Essentially, all losses resulting from mistakes, negligence, and incompetence of the managers of a financial portfolio would fall under investment manager risk.
- Liquidity risk: Liquidity risk reflects the ability to sell an investment quickly at a competitive price. Marketability risk is the ability to find a ready market where the investor can sell the investment.
- Tax risk: Tax risk is the chance that taxation of investment gains or losses can negatively affect the return on investment.

Long-term trading is designed to capture returns based upon the growth of a business over long periods of time. Due to its nature, the long-term investment strategy can expose clients to various types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

Frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

Methods of Analysis:

ACARA utilizes several different methods to guide its investment decision making. No individual method or combination of methods can guarantee that ACARA hits its investment objectives, and each has potential material risks some of which are described below.

Cyclical analysis assumes that the markets react in cyclical patterns which, once identified, can be leveraged to inform investment decisions. The risks with this strategy are two-fold: first the markets do not always repeat cyclical patterns and second, if too many investors begin to implement this strategy, then it changes the very cycles upon which the investment decisions are being made.

Fundamental analysis concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

Technical analysis relies on technical indicators, which can be inaccurate and provide little or no insight into the long-term direction of any individual investment.

Qualitative analysis deals with intangible and inexact information that can help to inform the broader direction for individual products or industries. This information is often difficult to collect and measure.

Quantitative analysis relies on quantitative models, which may perform differently than expected because of, among other things, the factors used in the models, the weight placed on each factor, changes from the factors' historical trends, and technical issues in the construction and implementation of the models.

Past performance is not indicative of future results. Investing in securities including those held in the ACARA portfolios involve a risk of loss and potentially permanent losses that you, as a client, should be prepared to bear.

Item 8C. Risks of Specific Securities Utilized

There is a material risk of loss using any investment strategy. The investment types listed below are not guaranteed or insured by any government agency.

Mutual Funds: Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have imbedded costs that lower investment returns.

Equities: Equity investment generally refers to buying shares of stocks in return for receiving a future payment of dividends and/or capital gains if the value of the stock increases. The value of equity securities will change in response to specific situations for each company, industry conditions and shifting economic environments. **Investments in equity securities can result in unrecoverable investment losses sometimes up to 100% of the investment.**

Fixed Income: Fixed income investments generally pay a return on a fixed schedule, though the amount of the payments can vary. This type of investment can include corporate and government debt securities, leveraged loans, high yield, and investment grade debt and structured products, such as mortgage and other asset-backed securities, although individual bonds may be the best-known type of fixed income security. In general, the fixed income market is volatile and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) Fixed income securities also carry inflation risk, liquidity risk, call risk, and credit and default risks for both issuers and counterparties. Risks of investing in foreign fixed income securities also include the general risk of non-U.S. investing described below.

Exchange Traded Funds (ETFs): An ETF is an investment fund traded on stock exchanges, like stocks. **Investing in ETFs carries the risk of capital loss.** Areas of concern include the lack of transparency in products and increasing complexity, conflicts of interest and the possibility of inadequate regulatory compliance.

Real Estate Funds: Real Estate Funds (including REITs) face several kinds of risk that are inherent in the real estate sector, which historically has experienced significant fluctuations and cycles in performance. Revenues and cash flows may be adversely affected by: changes in local real estate market conditions due to changes in national or local economic conditions or changes in local property market characteristics; competition from other properties offering the same or similar services; changes in interest rates and in the state of the debt and equity credit markets; the ongoing need for capital improvements; changes in real estate tax rates and other operating expenses; adverse changes in governmental rules and fiscal policies; adverse changes in zoning laws; the impact of present or future environmental legislation and compliance with environmental laws.

Commodities are tangible assets used to manufacture and produce goods or services. Commodity prices are affected by different risk factors, such as disease, storage capacity, supply, demand, delivery constraints and weather. Because of those risk factors, even a well-diversified investment in commodities can be uncertain.

Non-U.S. securities present certain risks such as currency fluctuation, political and economic change, social unrest, changes in government regulation, differences in accounting and the lesser degree of accurate public information available.

Past performance is not indicative of future results. Investing in securities including those held in the ACARA portfolios involve a risk of loss and potentially permanent losses that you, as a client, should be prepared to bear.

Item 9: Disciplinary Information

Item 9A. Criminal or Civil Actions

There are no criminal or civil actions to report.

Item 9B. Administrative Proceedings

There are no administrative proceedings to report.

Item 9C. Self-regulatory Organization (SRO) Proceedings

There are no self-regulatory organization proceedings to report.

Item 10: Other Financial Industry Activities and Affiliations

Item 10A. Registration as a Broker/Dealer or Broker/Dealer Representative

Neither ACARA nor its representatives are registered as, or have pending applications to become, a broker/dealer or a representative of a broker/dealer.

Item 10B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor

Neither ACARA nor its representatives are registered as or have pending applications to become either a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or an associated person of the foregoing entities.

Item 10C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interest

Neither ACARA nor its representatives have any material relationships that would present a possible conflict of interest.

Item 10D. Selection of other advisers or managers and corresponding compensation

ACARA has discretion to choose third-party investment advisers to manage all or a portion of the client's assets. Clients will pay ACARA its standard fee in addition to the standard fee for the advisers to which it directs those clients. This relationship will be memorialized in each contract between ACARA and each third-party advisor. The fees will not exceed any limit imposed by any regulatory agency.

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

Item 11A. Code of Ethics

ACARA has a written Code of Ethics that covers the following areas: prohibited purchases and sales, insider trading, personal securities transactions, exempted transactions, prohibited activities, conflicts of interest, gifts and entertainment, confidentiality, service on a board of directors, compliance procedures, compliance with laws and regulations, procedures and reporting, certification of compliance, reporting violations, compliance officer duties, training and education, recordkeeping, annual review, and sanctions. ACARA's Code of Ethics is available free upon request to any client or prospective client.

Item 11B. Recommendations Involving Material Financial Interests

ACARA does not buy or sell in client accounts any security in which a related person to ACARA or ACARA has a material financial interest (defined as a direct or indirect ownership stake of greater the 10% of the total assets or capital stock of the entity).

Item 11C. Investing Personal Money in the Same Securities as Clients

ACARA may purchase securities for clients in which the firm's principals and potentially its employees have equity interests. The ACARA Strategies may emulate a subset of the personal portfolios of ACARA's principals. This may provide an opportunity for representatives of ACARA to buy or sell the same securities before or after its clients. Such transactions may create a conflict of interest.

When purchasing or selling the same securities for both ACARA clients, ACARA's Principals and/or its employees, ACARA may either batch the trades together or endeavor to trade its clients' accounts ahead of its own.

Item 11D. Trading Securities at/around the Same Time as Clients' Securities

Representatives of ACARA may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of ACARA to buy or sell securities before or after purchasing securities for clients resulting in representatives profiting off the activity in client accounts. Such transactions may create a conflict of interest.

When purchasing or selling the same securities for both ACARA clients, ACARA's Principals and/or its employees ACARA may either batch the trades together or endeavor to trade its clients' accounts ahead of its own.

Item 12: Brokerage Practices

Item 12A. Factors Used to Select Custodians and/or Broker Dealers

Based upon ACARA's current scale, there are a limited number of custodians and/or broker dealers through which ACARA can conduct its business. ACARA selected Interactive Brokers (IB) as its sole custodian and Broker/Dealer based upon IB's seamless platform for the management and trading of client accounts. Commission rates and account fees for ACARA clients match those generally available to IB customers.

Client securities accounts at IB are protected by the Securities Investor Protection Corporation ("SIPC") and are subject to certain coverage limits. As with all securities firms, this coverage provides protection against the failure of a broker dealer, not against loss of market value of securities. Additional information on "account protection" can be found on IB's website:

https://www.interactivebrokers.com/en/index.php?f=2334&p=acc&conf=am

Clients enter a relationship with IB at their own risk. ACARA does not make any representations as to the financial stability of IB.

1. Research and Other Soft-Dollar Benefits

While ACARA has no formal soft dollar program in which soft dollars are used to pay for third party services, ACARA may receive research, products, or other services from custodians and broker-dealers in connection with client securities transactions ("soft dollar benefits"). ACARA may enter soft-dollar arrangements consistent with (and not outside of) the safe harbor contained in Section 28(e) of the Securities Exchange Act of 1934, as amended. There can be no assurance that any individual client will benefit from soft dollar research, whether or not the client's transactions paid for it, and ACARA does not seek to allocate benefits to client accounts proportionate to any soft dollar credits generated by the accounts. ACARA benefits by not having to produce or pay for the research, products or services, and ACARA will have an incentive to recommend a broker-dealer based on receiving research or services. Clients should be aware that ACARA's acceptance of soft dollar benefits may result in higher commissions charged to the client. ACARA will have an incentive to recommend a broker-dealer based on its interest in receiving the research or other products or services rather than on clients' interests in receiving most favorable execution.

2. Brokerage for Client Referrals

ACARA receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

3. Clients Directing Which Broker/Dealer/Custodian to Use

ACARA requires clients to use IB to execute transactions. Not all advisers require clients to use a particular broker-dealer.

Item 12B. Aggregating (Block) Trading for Multiple Client Accounts

If ACARA buys or sells the same securities on behalf of more than one client, then it may (but would be under no obligation to) aggregate or batch such securities in a single transaction for multiple clients to seek more favorable prices, lower brokerage commissions, or more efficient execution. In such case, ACARA would place an aggregate order with the broker on behalf of all such clients ensuring fairness for all clients; provided, however, that trades would be reviewed periodically to ensure that accounts are not systematically disadvantaged by this policy.

Item 13: Review of Accounts

Item 13A. Frequency and nature of periodic reviews and identity of reviewer

All client accounts for ACARA's advisory services are reviewed at least monthly by Fletcher D. Perkins, Managing Partner, to ensure compliance with the clients chosen investment strategy. All accounts at ACARA are assigned to this reviewer.

Item 13B. Factors that will trigger a non-periodic review of client accounts

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

Item 13C. Content and frequency of regular reports provided to clients

Each client of ACARA's advisory services will receive a quarterly report detailing the client's account, including assets held, asset value, and calculation of fees. This report will come from the custodian. Clients additionally may access their accounts with IB online.

Item 14: Client referrals and other compensation

Item 14A. Economic benefits provided by third parties for advice rendered to clients

Other than the potential for soft dollar benefits as described in Item 12 above, ACARA does not receive any economic benefit, directly or indirectly from any third party for advice rendered to ACARA clients.

Item 14B. Compensation to non-advisory personnel (solicitors) for client referrals

ACARA does not compensate non-advisory personnel (solicitors) for client referrals.

Item 15: Custody

Item 15A. Custody

ACARA does not take custody of client accounts.

Item 16: Investment Discretion

Item 16A. Investment Discretion

ACARA provides discretionary investment advisory services to clients. The advisory contract established with each client sets forth the discretionary authority for trading. Where investment discretion has been granted, ACARA generally manages the client's account and makes investment decisions without consultation with the client as to when the securities are to be bought or sold for the account, the total amount of the securities to be bought/sold, what securities to buy or sell, or the price per share. At times clients may, impose restrictions on investing to harvest tax losses or to meet short term liquidity needs.

Item 17: Voting Client Securities (Proxy Voting)

Item 17A. Voting Client Securities (Proxy Voting)

ACARA will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

Item 18: Financial Information

Item 18A. Balance Sheet

ACARA neither requires nor solicits prepayment of management fees and therefore is not required to include a balance sheet with this brochure.

Item 18B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients

Neither ACARA nor its management has any financial condition that is likely to impair ACARA's ability to meet contractual commitments to clients.

Item 18C. Bankruptcy Petitions in Previous Ten Years

ACARA has not been the subject of a bankruptcy petition in the last ten years.

Item 19: Requirements for State Registered

Item 19A. Principal Executive Officers and Management Persons, formal education, and business background

ACARA currently has only one management person: Fletcher Driggs Perkins. Education and business background can be found on the individual's Form ADV Part 2B brochure supplement.

Item 19B. Other businesses in which this advisory firm or its personnel are engaged, and time spent on those

Other business activities for each relevant individual can be found on the Form ADV Part 2B brochure supplement for each such individual.

Item 19C. Calculation of performance-based fees and degree of risk to clients

ACARA does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

Item 19D. Material disciplinary disclosures for management persons of this firm

There are no civil, self-regulatory organization, or arbitration proceedings to report under this section.

Item 19E. Material relationships that management persons have with issuers of securities (if any)

ACARA Capital Management is an Independent Investment Advisory firm. Neither ACARA nor its managers have material relationships with issuers of securities.