

Part 2A of Form ADV: Firm Brochure

Date of Brochure: March 31, 2023

Item 1: Cover Page

Aldebaran Capital, LLC
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Carmel, IN 46290

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Contact Person: Edward A. Skarbeck

This brochure provides information about the qualifications and business practices of Aldebaran Capital, LLC. If you have any questions about the content of this brochure, please contact us at 317-818-7827 and/or info@aldebarancapital.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.

Aldebaran Capital, LLC is a Registered Investment Advisor with the Securities and Exchange Commission (SEC). Registration (either SEC or state) of an investment advisor does not imply any certain level of skill or training.

Additional information about Aldebaran Capital, LLC also is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2: Material Changes

Material changes from the last update as of March 31, 2022, to the Firm Brochure are included below.

No material changes.

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Item 4: Advisory Business

Aldebaran Capital, LLC (AC) was formed in January of 1999, in Indianapolis, Indiana, by Kenneth R. Skarbeck, CFA and Edward A. Skarbeck, who remain as the principal owners of the firm today.

AC is a fee-only (see Item 5: Fees and Compensation) investment advisory firm that specializes in the management of stock portfolios for individual investors, businesses, and institutions, including not-for-profits. All accounts are managed as separate accounts, registered in each client's name, and held at a third-party Custodian. AC utilizes a fundamental / "value" approach when making investment decisions. Value investing seeks to identify discrepancies between stock market prices and the underlying values of businesses. Investments are made when companies (or shares of a company) can be purchased at a significant discount from their "intrinsic value." When effectively implemented, value investing tends to reduce risk, as an identified gap between price and value creates a margin of safety. Our experience has shown that large discounts from intrinsic value are very likely to correct over time, thus leading to attractive long-term investment results. We practice value investing because it suits our temperament. Its principles contribute to the framework for a rational and disciplined approach to investing. It allows us to think independently and to conduct a long-term investment operation that exploits the recurrent optimism and apprehension often present in the markets.

Please refer to "Item 5: Fees and Compensation", and "Item 8: Methods of Analysis, Investment Strategies and Risk of Loss" for more detail.

Our investment management services are tailored to each individual client to the extent that some clients will instruct AC as to certain types of investments, companies, or industries they do not wish to invest in. Most assets under management at AC are discretionary and do not require specific client consent. Any limitations on this authority, as to the amount or type of securities to be purchased or sold are determined during the initial consultation with the client. As a service to our clients, AC does maintain some accounts for clients on a non-discretionary basis. These accounts are separate from AC's managed accounts and are not charged management fees.

AC does not participate in any "wrap fee programs."

As of December 31, 2022, assets under management for AC clients were:

Discretionary: 235 Accounts, \$ 135,233,369

Non-discretionary: 96 Accounts, \$ 4,906,114

Item 5: Fees and Compensation

Compensation to AC is provided by an annual fee which is charged based upon the amount of assets under management. Please refer to the schedule and explanation of fee calculation detailed below.

Investment Management Agreement: Account Fee Schedule

This fee schedule is negotiable.

1.25% annually on the first \$250,000 under management,
1.00% annually on the next \$750,000, under management, and
0.75% annually on amounts over \$1,000,000.

The fee for the first quarter during which AC shall render investment advisory services under the above schedules may be paid at the time of acceptance by AC and shall be based upon the initial market value (including cash) of the account. Subsequent quarterly fees will be based upon the market value of the account on the last day of each quarter and are generally paid to AC sometime in the first few weeks of the month following the end of the quarter. Fees are, generally, deducted directly from the clients account, unless the client has directed AC to provide them the ability to pay the fee by separate check. If available funds are insufficient to pay such fees from the accounts, AC may submit its invoice for fee payment directly to the client. Assets invested in shares of mutual funds or other investment companies ("funds") will be included in calculating the value of the account for purposes of computing fees and the same assets will also be subject to additional advisory and other fees and expenses, as set forth in the prospectuses of those funds, paid by the funds but ultimately borne by the investor. Client is responsible for verifying fee computations since custodians are not typically asked to perform this task.

The only fee AC receives is its quarterly fee, as described above. However, clients may incur charges for brokerage commissions which are paid to the brokerage firm that effects the transaction. Other charges from the custodian, may include custodial fees and other account maintenance fees including but not limited to, custody fees, wire transfer fees, etc. AC receives no financial benefit from any portion of the fees and commissions charged by the custodian. Commission charges on foreign securities purchased may be higher than those charges for domestic securities. Please refer to Page "Item 12: Brokerage Practices" for more discussion of brokerage/custodial relationships and their compensation.

AC, or the client, has the right to terminate investment management services (without the payment of any penalty) at any time. If services are terminated prior to the end of any quarter, AC will refund to the client, the pro-rata portion of the quarterly fee paid for such quarter, on the basis of a proration of that quarterly fee to the effective date of termination.

Neither AC, nor any of its employees, sell or offer investment securities (or any other investment products) for compensation.

Item 6: Performance Based Fees and Side by Side Management

Not applicable. AC does not charge any performance-based fees.

Item 7: Type of Clients

AC generally provides investment management services to individuals, high net worth individuals, pension and profit-sharing plans, trusts, charitable organizations, and corporations/partnerships. AC generally requires a minimum investment of \$100,000 to open up a managed investment account. This minimum may be waived at AC's discretion.

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

Below we describe the investment strategy that we currently utilize in managing our client accounts.

AC's client accounts consist of a portfolio of individual stocks of companies of various sizes (market capitalizations) and industries. We are long-term oriented and portfolio turnover is low. Our methods of analysis are Fundamental and are implemented by extensive research into a company's financial condition and valuation in relation to its stock price. Purchases are made when we believe two main tenets are evident: 1) downside protection, or margin of safety, and 2) Upside potential for stock price appreciation, or recognition of "value." Our strategy derives from the work of Benjamin Graham and his classic textbook *Security Analysis* (1934). Value investing seeks to identify discrepancies between stock market prices and the underlying values of businesses. As mentioned, investments are made when companies (or shares of a company) can be purchased at a significant discount from what Graham called their "intrinsic value." The goal of value investing is to attempt to reduce risk in the portfolio, as an identified gap between price and value creates a *margin of safety*, a central concept of Graham's work. Our experience has shown that large discounts from intrinsic value are very likely to correct over time, thus leading to attractive long-term investment results. Rather than limiting our investments to the size of a company's market capitalization, our experience indicates that it is more important to focus on the value of a company and its future prospects. Thus, our portfolios generally contain a mix of small, medium, and large companies. We utilize several research sources that provide us financial data on publicly traded companies - these include, but are not limited to, financial newspapers and magazines, financial data subscription services, company press releases, annual reports, prospectuses and filings with the Securities and Exchange Commission. In the end, our investment decisions are based on the value we receive for committing our clients' investment capital to a particular company.

It should be noted that investing in securities involves risk of loss that clients should be prepared to bear. AC employs a value-oriented approach to investing which strives to minimize the potential for permanent monetary loss. However, it should be noted that there is no guarantee that clients of AC will not suffer permanent monetary loss. In addition, as value investors, we generally are purchasing securities that may be "out of favor" with current market conditions.

While we maintain a long-term perspective, it may lead to periods of "under-performance" as the markets will fluctuate, sometimes substantially. While this is a risk we are willing to take on, it can be difficult to "stay the course" at times when individual holdings or groups of stocks have depressed market values. Other risks, which may not be as apparent, include companies that regardless of rigorous research and seemingly strong financial strength, may suddenly lose value or even go bankrupt due to fraudulent activity or mismanagement.

If the account (as directed by the client) requires an established fixed income component, we generally maintain a conservative profile, focused more on the safety of principal as opposed to yield. This often leads to utilization of brokerage money market accounts or short to mid-term United States Treasury Securities. However, it should be noted that even bonds bear risk. While credit risk may be less in many bonds, the potential for interest rate risk exists, which may cause the market value of the security to be less than the original capital invested.

Item 9: Disciplinary Information

Neither AC, nor any of its employees have ever been subject to any form of disciplinary action.

Item 10: Other Financial Industry Activities and Affiliations

AC is not actively involved in other financial industry activities, nor does it have any affiliations that might create potential conflicts of interest. We are not actively engaged in any other business other than giving investment advice. No products are sold, no commissions or incentive payments of any kind are received.

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

AC has adopted a "Code of Ethics" and has a written policy covering the standards of business conduct and fiduciary obligations to its clients, such as placing the interest of its clients first at all times. All employees of AC are required to acknowledge and are subject to the Code of Ethics. Clients and perspective clients may request a copy of the Code of Ethics.

AC and/or its officers, members or employees may personally invest in the same securities that are purchased for clients and may own securities of issuers whose securities are subsequently purchased for clients. While the potential for conflict of interest exists, AC takes steps to eliminate such concern. For example, if a security is purchased or sold for clients and AC and/or its officers, members, or employees of the same day, either the clients (and AC and/or its officers, members, or employees) shall pay or receive the same price, or the clients shall receive the more favorable price.

Item 12: Brokerage Practices

Currently, AC utilizes Charles Schwab & Company as its primary custodian and brokerage firm for its client accounts. While we are not limited exclusively to Schwab, we do seek to utilize a custodian who can provide services and transaction execution that is comparable and/or better than that of other providers or brokerages. In considering a broker dealer for client custody and transactions, we consider the following: ability to service our clients' needs, competitiveness of pricing in applicable services (trading commissions, account maintenance fees, etc.), reputation including standing in the industry, financial strength, and stability, overall ability to service AC and maintain updated systems which make our business practices run efficiently, which in turn, also benefits our clients.

AC does not receive research or any other products or services, other than execution and standard brokerage services from Schwab. AC utilizes several sources for its own internal research which and, if it is not a "free" service, pays for the cost of that service. It is AC's intention to maintain a complete level of independence in its research and investment decision making.

AC does not engage in the business of "directed brokerage." We do not recommend, request, or require that that a client direct us to execute transactions through a specific broker-dealer.

Some purchase and sale orders of securities are completed in each individual account. Other purchase and sale orders may be aggregated into "block transactions". Block trades do not result in commission discounts for individual accounts through Schwab. Schwab allocates commissions (per account) based upon the commission schedule that each individual account has in place. Commission discounts are offered by Schwab for such things as account size and delivery of account documents in electronic form.

Item 13: Review of Accounts

All accounts are continuously under review since capital allocation with portfolios is the business of AC. Daily, transactions are reviewed and reconciled with the previous day's activity, including security price changes, security transactions (purchases, sales, mergers, etc.) income and dividends, and deposits and withdrawals. In addition, individual securities held in client accounts and potential securities for purchase are constantly monitored for inclusion or disposition within accounts. All accounts are reviewed regularly by Kenneth R. Skarbeck, CFA. In addition, Edward A. Skarbeck provides account maintenance and support for AC's clients.

All clients receive monthly brokerage account statements provided from the account custodian (Schwab). Clients also receive trade confirmations and other account information documents (including tax reports) from the custodian. These documents may be delivered to the client via regular mail, or through electronic means. In addition, we meet with clients periodically to review their accounts with AC and discuss any changes or modifications in their investment objectives. AC also prepares an extensive Annual Report which details account holdings,

performance, gains/losses, transactions and income and expenses. Included within the report is a comprehensive "Letter to Clients" which discusses general market commentary and provides insight into the outlook and investment thoughts of AC. Periodic account updates may also be provided via regular mail, electronically, or through individual meetings with clients. It is recommended that clients review and compare their statements received from the Custodian to the reports provided by AC and notify AC with any discrepancies.

Item 14: Client Referrals and Other Compensation

AC does not compensate any solicitors for client referrals by any financial means, including sales awards or other prizes.

Item 15: Custody

AC does not provide custody services for any assets of its clients. Managed client accounts at AC are predominantly held at the brokerage firm Charles Schwab, & Co.

Item 16: Investment Discretion

AC does receive discretionary authority to manage securities on behalf of its clients. A new client signs the Investment Management Agreement with AC which gives AC the authority to manage a particular account or particular accounts of the client. In addition, clients complete an application with the Custodian (Schwab) which requires a section to be initialed granting AC a Limited Power of Attorney to place trades on behalf of the client's account, without obtaining specific client consent. Any limitations on this authority, as to the amount or type of securities to be purchased or sold are determined during the initial consultation with the client. Further, the client has the right to terminate the Investment Management Agreement without penalty within five business days after entering into the Agreement.

Item 17: Voting Client Securities

AC maintains a "Proxy Voting Policy" which contains procedures and items considered when voting proxies on behalf of its clients. It is generally assumed, and discussed with each client, that due to the more detailed knowledge and information available to AC regarding securities holdings, that AC is in a better position to vote in a manner that is beneficial to shareholders. In performing this task, AC reviews the proxy statement and determines the vote, and casts the vote for our client holdings - these are generally done via internet proxy voting services. AC takes its responsibility for voting proxies very seriously and takes measures to consider the best interest of shareholders.

Clients may obtain a copy of our Proxy Voting Policy upon request. In addition, clients may choose to vote their own proxies, in which case, they will receive their proxies directly from the custodian. Regardless, clients can contact us by phone at any time to discuss questions about a particular solicitation.

Item 18: Financial Information

AC does not require or solicit prepayment of more than \$1200 in fees per client, six months or more in advance, therefore is not required to include a balance sheet with this filing.

AC has no financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients.

AC manages its business affairs in a conservative manner which has contributed to sound financial strength. AC has never declared bankruptcy.

Item 19: Requirements for State-Registered Advisors

Not Applicable. AC is registered with the Securities and Exchange Commission

Part 2B of Form ADV - Brochure Supplement for:

Kenneth Richard Skarbeck

Aldebaran Capital, LLC
10293 North Meridian Street, Suite 100
Carmel, IN 46290
Phone: (317) 818-7827

Date of Brochure Supplement: March 31, 2023

This brochure supplement provides information about Kenneth R. Skarbeck that supplements the Aldebaran Capital, LLC brochure. You should have received a copy of that brochure. Please contact us at 317-818-7827 if you did not receive Aldebaran Capital's brochure or if you have any questions about the contents of this supplement.

Additional information about Kenneth R. Skarbeck is available on the SEC's website at www.adviserinfo.sec.gov.

Kenneth Richard Skarbeck, born in 1959

<u>Education:</u>	1977-1981	Hanover College B.A. Hanover, Indiana	Major: Economics Minor: Mathematics
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1992	Chartered Financial Analyst (CFA®) Designation
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* Explanation of the professional designation of a Chartered Financial Analyst (CFA®). Chartered Financial Analysts are licensed by the CFA® Institute to use the CFA® mark. CFA® certification requirements include the following: Must hold a bachelor's degree from an accredited institution or have equivalent education or work experience; must have successfully completed all three exam levels of the CFA® Program; must have 48 months of acceptable professional work experience in the investment decision-making process; must fulfill Society requirements which vary by Society, but include two sponsor statements as part of each application; and must agree to adhere to and sign the Member's Agreement, a Professional Conduct Statement, and any additional documentation requested by CFA® Institute.

Brochure Supplement for Kenneth Richard Skarbeck, continued

<u>Business:</u>	1999-present	Aldebaran Capital, LLC, Indianapolis, IN President, Managing Member
	1994-1998	Investment Advisors of Indianapolis, Inc., Indianapolis, IN Portfolio Manager
	1987-1994	KRS Investors, Indianapolis Portfolio Manager

Disciplinary Action: None

Criminal or Civil Actions: None

Arbitration Claims: None

Self-Regulatory Organization or Administrative Proceedings: None

Other Business Activities: None

Additional Compensation: None

Supervision: Kenneth R. Skarbeck and Edward A. Skarbeck are the Managing Partners of Aldebaran Capital, LLC, and as such, work together as a partnership to manage the daily affairs of the business.

Supervisors' contact information:

Kenneth R. Skarbeck, President & Managing Partner (317-818-7827)

Edward A. Skarbeck, Vice President & Managing Partner (317-818-7827)

Part 2B of Form ADV - Brochure Supplement for:

Edward Arthur Skarbeck

Aldebaran Capital, LLC
10293 North Meridian Street, Suite 100
Carmel, IN 46290
Phone: (317) 818-7827

Date of Brochure Supplement: March 31, 2023

This brochure supplement provides information about Edward A. Skarbeck that supplements the Aldebaran Capital, LLC brochure. You should have received a copy of that brochure. Please contact us at 317-818-7827 if you did not receive Aldebaran Capital's brochure or if you have any questions about the contents of this supplement.

Additional information about Edward A. Skarbeck is available on the SEC's website at www.adviserinfo.sec.gov.

Edward Arthur Skarbeck, born in 1966

<u>Education:</u>	1984-1988	Hanover College B.A. Hanover, Indiana	Major: Business Minors: Economics and Mathematics
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<u>Business:</u>	1999-present	Aldebaran Capital, LLC, Indianapolis, IN Vice President, Managing Member
	1996-1998	Investment Advisors of Indianapolis, Inc., Indianapolis, IN Director of Marketing
	1988-1996	Indiana Department of Financial Institutions, Indianapolis, IN Regional Field Supervisor

Disciplinary Action: None

Criminal or Civil Actions: None

Arbitration Claims: None

Self-Regulatory Organization or Administrative Proceedings: None

Brochure Supplement for Edward Arthur Skarbeck, continued

Other Business Activities: None

Additional Compensation: None

Supervision: Kenneth R. Skarbeck and Edward A. Skarbeck are the Managing Partners of Aldebaran Capital, LLC, and as such, work together as a partnership to manage the daily affairs of the business.

Supervisors' contact information:

Kenneth R. Skarbeck, President & Managing Partner (317-818-7827)

Edward A. Skarbeck, Vice President & Managing Partner (317-818-7827)