



**Item 1: Cover Page**



**DARA CAPITAL US, INC.**

100 Wall Street  
21<sup>st</sup> Floor  
New York, NY 10005

Phone: 212 – 509-5050  
Fax: 212 – 509-9559  
[www.daracapital.com](http://www.daracapital.com)

March 28, 2012

**FORM ADV PART 2A  
FIRM BROCHURE**

This brochure provides information about the qualifications and business practices of Dara Capital US, Inc. If you have any questions about the contents of this brochure, please contact us at [info@daracapital.com](mailto:info@daracapital.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 Dara Capital US, Inc. is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable CRD number of Dara Capital US, Inc. is 153544.

Dara Capital US, Inc. is a Registered Investment Adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

The oral and written communications of an adviser provide you with information with which you determine to hire or retain an adviser.



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**Item 2: Material Changes**

This item only discusses specific material changes that are made to the brochure and provides clients with a summary of these changes since our last update of the brochure on December 28, 2011. Pursuant to the SEC rules, we will ensure that you receive a summary of any material changes to this and subsequent brochures within 120 days of the close of the business' fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

We will provide you with a new brochure as necessary based on changes or new information, at any time, without charge.

Currently, this brochure and its supplements may be requested by contacting Mr. Peter Noyes at 212-509-5050 or [peter.noyes@wg-law.com](mailto:peter.noyes@wg-law.com) or alternatively, at [info@daracapital.com](mailto:info@daracapital.com).

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**Item 4: Advisory Business**

Dara Capital US, Inc. ("Dara") is a Delaware corporation established in February 2009, which primarily provides investment supervisory services and, to a lesser degree, wealth management services. Dara's registration was granted by the United States Securities and Exchange Commission on June 21, 2010.

Dara is wholly owned by the Swiss corporation, Dara Capital Limited. Dr. Kurt Moosmann, Mr. Anton Josef Knecht and Mr. Gratian Anda are the principal owners of Dara Capital Limited, which provides the same investment supervisory and wealth management services as Dara. Neither Dara nor Dara Capital Limited are publicly owned or traded.

Dara provides mainly investment management and supervisory services to sophisticated investors, trusts, charitable and other tax exempt organizations, estate and corporations, including, without limitation, single family offices (hereinafter the "Client" or "Clients"). Client portfolios are generally managed on a non-discretionary basis, with strong bias towards single hedge fund managers.

To a lesser degree, Dara is also dedicated to providing comprehensive and tailored advice to families with multi-jurisdictional backgrounds, who require assistance with planning of their foreign estates and investments, philanthropy and family governance structures.

While Dara considers quantitative analysis as prerequisite in making investment decisions, we place great emphasis on qualitative analysis of single money managers and their human capital. Dara's investment team holds regular calls and convenes periodical face-to-face meetings with Clients during which the respective portfolios are reviewed, tactical asset allocations changes might be suggested, and buy and sell decisions are taken jointly with the Client. Even in the rare circumstance that a Client has opted for a discretionary management mandate, Dara would typically inform the Client about material changes to his/her/their portfolio prior to implementation of such changes. As many custodians might have different processes and execution policies, the investment process may result in Client accounts receiving performance and Net Asset Value ("NAV") calculations at variance (higher or lower) depending on timing and processing by the custodian banks and Fund Administrators.

Dara tailors its advisory services to the individualized needs of its Clients. Each Client's portfolio is tailor-made and structured in accordance with the Client's specific circumstances, emphasizing objectivity, transparency, sound risk management and broader diversification of low-correlated, single money managers. Our tailored portfolios aim at keeping downside volatility low whilst delivering high single-digit returns and generally do not comprise of fund-of-funds or structured products.

Clients may impose restrictions on investing in certain securities or types of securities.

Dara does not participate in any wrap fee programs.

As of March 15, 2012, Dara had approximately \$89,000,000 in assets under management, which are managed on a non-discretionary basis.

**Item 5: Fees and Compensation**

The fixed annual management fee for the provision of Investment Services ranges between 0.5% (50bps) and 1.25% (125 bps) of the Client's assets under management. These fees are determined on a non-linear, sliding scale in accordance with the size of the portfolio and may be negotiable, provided the minimum fixed annual management fee is at least 0.5% (50bps) of the Client's assets under management.

The fixed management fee is payable quarterly in arrears. Generally, Dara bills the Clients for the fees incurred. The Clients may, however, select to authorize the fixed management fee to be deducted from their accounts.

The Clients also incur transactions fees or commission from the broker-dealer through which the investments are purchased or sold. The funds in which a Client invests also charge annual management fees, as well as custody fees. Dara does not retain any portion of these additional fees. The custodian, broker-dealer and/or investment company keep all these additional fees. With regard to brokerage relationships, please see **Item 12 Brokerage Transactions**.

Any commissions, discounts or soft dollars paid to Dara by third party financial intermediaries with respect to the Portfolio(s) will be credited to the Client's custody account.

For information on performance-based fees, please see **Item 6 Performance-Based Fees and Side-by-Side Management**.

With respect to the provision of Wealth Advisory/Financial Planning Services, the related fees are negotiated on a case-by-case basis, dependent upon the nature, activity and complexity of the mandate involved. Generally such services are charged at an annual fixed fee, excluding expenses and sundry charges, e.g. other third party charges, payable quarterly in arrears. The fixed fees range between 0.25% (25bps) to 0.35% (25bps) of the Client's assets under advisory, with a minimum fixed fee of \$ 100,000.

Under no circumstances does Dara require or solicit fees in advance of service.

Dara receives no compensation based on product sale or recommendations. Clients have the option to purchase investment products that we may recommend through any broker of their choice, including any agents that are not affiliated with us. Dara offers no brokerage services.

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

Depending on the negotiations with the client, an annual performance fee with or without a hurdle rate can be charged on top of the annual (fixed or flat) management fee (please see **Item 5: Fees and Compensation**). The performance fee ranging from 5 to 10% of the appreciation in the NAV of the portfolio as of the last business day of the current calendar year over and above the previous NAV achieved on the last business day of the preceding calendar year (or with respect to the first year of an investment advisory agreement with a Client, the first business day following the signing of the agreement). If a Client has negotiated a hurdle rate, performance fee can only be charged if the annual performance is at or above the predefined hurdle rate. The hurdle rate is reset at calendar year end (no carry forward). To calculate performance fee, the hurdle rate is deducted from the annual performance of the portfolio.

**Item 7: Types of Clients**

Dara provides mainly investment management services to sophisticated investors, trusts, charitable and other tax exempt organizations, estates and corporations, including both single and multi-family offices.

With our strong bias towards alternative investments Dara has set a soft entry level for investment management services at approximately \$ 15,000,000, in order to implement proper risk diversification and thus, allowing for an asset allocation comprising of 12-15 single money managers across all major asset classes.

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

Dara's investment strategy focuses primarily on single money managers. The security analysis methods are both fundamental and technical. The investment strategies used to implement the investments advice given by Dara to its Clients include primarily:

- long term purchases (securities held at least a year)
- short term purchases (securities held less than a year)
- short sales,
- margin transactions (future contracts), and
- option writing, including covered options, uncovered options or spreading strategies.

Fundamental analysis involves determining the value of a particular security by analyzing the financial data that is 'fundamental' or basic to the issuer, including, without limitation, its earnings, its dividends, and its sales. It does not, however, take into account, variations in the market that could affect the value of the security, which poses a risk when using such analysis.

Technical analysis, on the other hand, involves the analysis of the direction of security prices through the study of past market data. This analysis, however, does not take into account individual company statistics, which could materially affect a security's price, regardless of market trends.

Dara offers investment advice on:

- Equity securities (exchange-listed securities, securities traded over the counter and foreign issuers)
- Warrants
- Corporate debt securities (other than commercial paper)
- Commercial paper
- Mutual fund shares
- United States government securities
- Options contracts on securities and commodities
- Futures contracts on intangibles, and
- Interests in partnerships investing in real estate as well as oil and gas interests.

Dara mainly implements the investment strategies by way of adopting a **strong bias towards alternative investments**. Consequently, the selected **single hedge funds** are often structured in the form of limited partnerships and limited liability companies.



Dara places also special emphasis on objectivity, sound diversification and risk management in order to protect its clients' wealth. Assessment of risks and money managers' integrity is at the centre of our due diligence process. Dara invests in money managers who are independent and have a proven track record. **Portfolio construction aims to preserve the long-term purchasing power and to provide a diversification of risk.** Dara is committed to keeping downside volatility low and strives for consistent, positive risk-adjusted absolute portfolio returns, regardless of market conditions. More volatile assets offer greater opportunity but carry greater risks. Combining asset classes and investments with different volatility characteristics and correlation enables us to reduce risks and provide for greater diversification.

Superior knowledge of, and strong relationships with the world's leading money managers often enables Dara to have access to rare co-investment opportunities. Dara sets clear return, liquidity, risk and correlation objectives for each money manager. These drive the strategic weight and tactical allocations. While quantitative analysis is a prerequisite, Dara places great emphasis on qualitative analysis of money managers and their human capital.

**EXPLANATION OF RISK** – As a principal rule, Dara explains to its Clients prior to entering into a new investment advisory mandate the risks associated with the purchase, sale and dealing in securities and alternative investments. **It is important to understand investing in general involves risk of loss that you should consider well and be prepared to bear.** Along with the obvious risk of loss of principal, there are a number of significant risks associated with Dara's investment approach. These risks include, but are not limited to:

- **Equity Investing Risks:** Equity risk is the risk that the value of equity will fall due to general market dislocations or economic conditions, perceptions of the industry, or company specific circumstances
- **Fixed Investing Risks:** Fixed income investing value may fall due to interest rate movement and specific issuer's inability to pay its obligations due to unforeseen circumstances
- **Country Risks:** Country risk can arise if a country restricts securities trading, for instance by imposing economic sanctions or currency restrictions
- **Currency Risks:** The possibility that returns could be reduced for Americans investing into foreign securities because of a rise in the value of the US dollar against foreign currencies
- **Settlement Risks:** A settlement risk occurs when you have to pay the purchase price of a security in advance but do not actually receive the security until later. In this event, the risk is that you will pay the purchase price and receive the securities late or even not at all. Conversely, when you are obliged to deliver securities that you have sold, you may not simultaneously receive the purchase price from the buyer
- **Liquidity Risks:** Liquidity risk is the risk that you will not always be able to obtain an appropriate price for your investment when you sell it. When certain securities and derivatives are impossible to sell, or can only be sold with difficulty and at a sharply reduced price, the market is said to be illiquid. Illiquidity risk occurs especially with shares in unlisted or poorly capitalized companies, investments with sales restrictions, and certain structured products





Given Dara's strong bias towards Hedge Funds, you should also pay additional attention to the risks associated with such investments in alternative (non-traditional) investments and investments into emerging or developing markets:

With regard to alternative or non-traditional investments, you must be aware that hedge funds do not necessarily have anything to do with hedging. Indeed, they take on sometimes very high levels of risk in order to obtain an above-average return. Hedge funds include all forms of investment funds, investment companies and partnerships that use derivatives not just for hedging but also for investment, that are able to engage in short selling or take on leverage by borrowing. Other features typical of hedge funds include their freedom to choose their asset classes, markets (including emerging markets) and trading methods. Hedge funds normally require high minimum investments. They frequently offer only limited opportunities for subscription and redemption, with longer notice periods. The portfolio managers of hedge funds receive performance-related bonuses and often align their interests with your interests by holding a personal stake in the funds. You must **pay special attention to the following:** A hedge fund may be less transparent than a traditional investment fund, and they are not subject to any disclosure requirements. Unlike traditional collective investments, hedge funds have limited liquidity (units may generally only be redeemed once a month, quarterly or annually). Normally, investors can only invest in a hedge fund at specific times. There are generally longer notice periods for redemptions and some of the Hedge Funds might have long lock-up periods (periods during which investors are obliged to leave their capital in the fund).

If the Client requires an individual explanation, or fails to understand risks as they are outlined in the information provided, he/she/they may ask Dara for further explanation.

While Dara will endeavor to moderate and minimize these risks, there can be no assurance that its investment management services will be successful or that Clients will not suffer losses.

This brochure does not deal with the issues of taxation or any other legal consequences pertaining to securities transactions. We advise you to look into these matters yourself or obtain professional advice.

Dara is fully committed to providing investment management services that are **tailored to meet the requirements of each Client within the context of his/her/their total wealth**. Our ability to do so, however, depends also on the willingness of the Client to share with and to provide Dara access to such information. If the Client is not willing to reveal all the information needed, it runs the risk that Dara might be unable to ensure that suggested and implemented investment strategies are suitable for the Client's individual circumstances. This is because various types of risk or risk concentration may arise, particularly due to directional investments or unsuitable investment combinations. In the absence of the relevant Client information, Dara is unable to identify, calculate or control such risks.

Dara's main sources of information for its investment research are

- Financial newspapers and magazines
- Inspections of corporate activities
- Annual reports, prospectuses, filings with the Securities and Exchange Commission, and
- Company press releases.



In addition to the aforementioned sources of information Dara also receives information from large international Single Family Offices and other sophisticated investors, all being member of a private Global Family Office Network. The **dissemination** of information on money managers and co-investment opportunities is a transparent and unbiased resource for future investment suggestions.

**Item 9: Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of the adviser or the integrity of the adviser's management.

We have no legal or disciplinary events to disclose.

**Item 10: Other Financial Industry Activities and Affiliations**

**Wealth Advisory / Financial Planning** - As already mentioned under **Item 4 Advisory Business**, besides its core investment business and to a lesser degree, Dara provides comprehensive and tailored advice to families with multi-jurisdictional backgrounds, who require assistance with planning of their foreign estates and investments, philanthropy and family governance structures. Typically cases involve European families who have members living in the US or vice versa, or European families who own or are considering acquiring assets in the US.

Fees for the provision of Wealth Advisory Services are negotiated on a case-by-case basis, dependent upon the nature, activity and complexity of the mandate involved. Generally such services are charges at an annual fixed fee, excluding expenses and sundry charges, e.g. other third party charges, payable quarterly in arrears. Please see **Item 5 Fees and Compensation**

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

Dara has adopted a Code of Ethics (the "Code") consistent with the requirements of Rule 204A-1 of the Investment Advisers Act of 1940, as amended. The purpose of the Dara Code of Ethics is to establish standards of conduct expected of its employees and reflect Dara's fiduciary responsibilities and duties to its Clients. All employees are required to acknowledge in writing the receipt of the Code and their agreement to comply with the Code procedures and provisions.



The objectives of the Code are primarily to protect Dara's Clients, but also to educate and remind Dara's employees of their position of trust, and to guard against violations of securities laws and establish verification procedures. Implicitly stated in the Code of Ethics is the recognition that as investment adviser, we are fiduciaries and, consequently we have the responsibilities to render professional, continuous and unbiased advice, acting at all times in the Client's best interest and avoiding even the appearance of a conflict of interest.

More specifically Dara's Code of Ethics covers the following areas:

- Employee personal security transactions and holdings
- Policies and procedures designed to detect and prevent insider trading
- Compliance with federal securities laws
- Protecting confidentiality of Client information
- Sanctions and reporting of violations
- Gifts and entertainment

Please contact us at [info@daracapital.com](mailto:info@daracapital.com) should you wish a complete copy of Dara's Code of Ethics.

#### Participation of Interest in Client Transactions

It is not a general practice to recommend Client purchase or sale of securities in which Dara or a related person has an interest. Recommendations for Clients are based upon the perceived advantage or disadvantages of the security in relation to the Client's investment situation and objectives, and upon economic, financial, social and other factors bearing on its value and on the valuation of alternatives. Recommendations are not withheld and Client transactions are not forestalled because Dara or a related person may have a direct or indirect interest in the security.

All personnel transacting for personal accounts are restricted according to a stated policy regarding employee personal investments. A record of all such investments must be maintained and reviewed periodically. Any transactions must be carried out in a manner that does not work to the disadvantage of Clients' transactions or result in a conflict of interest, or even the appearance of a conflict of interest.

#### Item 12: Brokerage Practices

Generally, Dara is retained on a non-discretionary basis. Consequently, all investments are reviewed and agreed upon jointly by the Client and Dara before initiating the transactions. Clients in general would use their **existing brokerage or banking relationships to effectuate the trades**. Dara does not recommend any particular broker-dealer or bank. When requested to do so by a Client or prospective Client, however, Dara will recommend a short list of highly reputable brokers and banks. Dara typically does not receive any commission, soft dollars, client referrals or any other benefits from recommending a particular broker-dealer. However, any commissions, discounts or soft dollars paid to Dara by third party financial intermediaries with respect to the Portfolio(s) will be credited to the Client's custody account. To the extent that Dara utilizes research and other services obtained from broker-dealers on a soft dollar commission basis, it does so in compliance with the safe harbor of Section 28(e) of the Securities Exchange Act of 1934, as amended.



Dara's policy is to aggregate Client transactions where possible and when advantageous to Clients. In these instances, Clients participating in any aggregated transactions will receive an average share price and transaction costs will be shared equally on a pro-rata basis. The aggregation of Client purchase or sale orders into blocks for execution allows Dara to achieve more equitable, timely and efficient executions, lower brokerage cost and better and fairer prices. Dara's allocation procedures will be fair and equitable to all Clients with no particular group or Client(s) being favored or disfavored over any other Clients, unless where deviation is required in order to have a new Client fully invested as promptly as possible.

**Item 13: Review of Accounts**

Every Client account is assigned to a senior investment manager whose responsibility it is to review it on a weekly basis. As Dara's Investment Management is specialized in single money managers the reviews depend on the daily/weekly or even bi-weekly reporting submitted by these managers. **Each Client portfolio is structured differently.** All accounts are reviewed to ensure compliance with Dara's investment strategy and Clients' investment objectives and restrictions, as well as performance and asset allocation of the Portfolio. Currently 2 managers are actively managing 3 Client accounts.

Frequent reviews may be triggered by market changes in variables such as the Client's individual circumstances, or the global macro environment. Portfolio appraisals are customarily furnished to Clients on at least quarterly basis. Different cycles are available upon Client request.

Clients receive regular written updates on their accounts through emails, letters, portfolio review summaries and written quarterly reports which contain a portfolio statement and performance reports. Dara also conducts follow-up phone calls.

**Item 14: Client Referrals and Other Companies**

Dara does not have any oral or written arrangements to receive cash or any economic benefit (including commission, equipment or non-research) from a non-client in connection with giving advice to Clients. Dara does not have any arrangements to directly or indirectly compensate any person for Client referrals. There are currently no Client referrals or paid solicitation arrangements.

**Item 15: Custody**

Neither Dara nor any of its related persons has custody over the Clients' securities, cash or bank accounts. The Clients chose the custodian the wish to use. The custodian will send account statements quarterly, or more frequently, directly to the Clients. Dara **strongly encourages** its Clients to carefully review these account statements received from the custodian and compare the information reported on the account statements to the information reported on the quarterly reports we provide.

**Item 16: Investment Discretion**

**Generally, Dara is retained on a non-discretionary basis.** Consequently, all investments are reviewed and agreed upon jointly by the Client and Dara before initiating the transactions.

Clients in general would use existing banking relationships to effectuate the trades, but should they ask for some recommendations Dara would typically provide a short list of custodians/brokers without stating any further preferences.

**Item 17: Voting Client Services**

Unless the power to vote proxies for a Client is delegated to Dara and the Client has explicitly asked us to vote, **Dara will not be responsible for voting the proxies related to that Client's account.** It is the responsibility of the Client to instruct the relevant custodian bank or banks to mail proxy material directly to such Client. In the rare circumstance where Dara may acquire the right to vote proxies with respect to the securities in which the Client invests and with respect to securities for which it executes trades on behalf of Client, Dara will exercise such voting authority in accordance with established policies and procedures set forth in Dara's Compliance Manual. If Dara acquires the right to vote proxies, the adopted policies and procedures are reasonably designed to result in proxies being voted in the best interest of our Client, and in accordance with our fiduciary duties and applicable regulations. Generally, Dara will vote proxies so as to promote the long-term economic value of the underlying securities held by the Client. Each proxy proposal shall be considered on its own merits, and an independent determination shall be made whether to support or oppose management's position.

If a Client has not delegated the power to vote proxies to Dara, that client may direct Dara to vote in a particular manner at any time upon written notice to Dara. In those circumstances, Dara will comply with specific Client directions to vote proxies.

If Dara exercises voting authority with respect to its Client, the Client may at any time make a – written or oral – request for information on how the Firm voted proxies his or her behalf. Dara must make and retain

- a copy of each proxy statement that Dara receives,
- a record of each vote cast by Dara on behalf of the Client
- a copy of any document created by Dara that was material to making a decision on how to vote proxies on behalf of a Client
- a copy of each written Client request for information on how Dara voted proxies on behalf of the Client and a copy of any written response by Dara to any (written or oral) Client request for information.

Any Client may obtain a copy of Dara's proxy voting policies and procedures upon request.

Please contact us at [info@daracapital.com](mailto:info@daracapital.com) should you wish a copy of Dara's proxy voting policies and procedures.



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**Item 18: Financial Information**

We do not require or solicit prepayment of \$1,200 or more in fees per client, six months or more in advance and therefore have not included a balance sheet. We have no financial condition that is reasonably likely to impair our ability to meet contractual commitments, nor have we seen the subject of any bankruptcy petition.

**Item 19: Requirements for State-Registered Advisers**

Not applicable.