

## Cara Trading Advisors (Bahamas) Ltd. Informational Brochure

March 28, 2013

Cara Trading Advisors (Bahamas) Limited  
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*This brochure provides information about the qualifications and business practices of Cara Trading Advisors (Bahamas) Limited. If you have any questions about the content of this brochure, please contact us at [admin@caratrading.com](mailto:admin@caratrading.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any other state securities authority.*

*Additional information about Cara Trading Advisors (Bahamas) Limited is available at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)*

*Being a “registered investment adviser” does not imply a certain level of skill or training.*

### Table of Contents

01	Advisory Business
02	Fees and Compensation
03	Performance Based Fees and Side-By-Side Management
04	Types of Clients
05	Methods of Analysis, Investment Strategies and Risk of Loss
06	Disciplinary Information
07	Other Financial Industry Activities and Affiliations
08	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading
09	Business Practices
10	Review of Accounts
11	Client Referrals and Other Compensation
12	Custody
13	Investment Discretion
14	Voting Client Securities
15	Financial Information
16	Personal History of Bill Cara

## 1. Advisory Business

Cara Trading Advisors Bahamas ("the Firm") is an Investment Advisor whose primary business is providing Asset Management Services to individuals, families and trusts. The Firm was incorporated February 19, 2007 and is owned by Bill Cara. As of March 28, 2013, the total Assets under Management was \$6,900,000.

Cara Trading Advisors provides Asset Management Services to clients based on the individual needs and objectives of each client. The Firm uses a diversified approach to clients' personal investment goals and objectives. We directly assist clients in trading equities, exchange traded funds and options using three different strategies depending on each client's personal needs, objectives and risk tolerance level.

The Firm provides ongoing monitoring of performance of client accounts and trading activities. Custody of client assets is maintained by a non-affiliated independent broker which at this time is Interactive Brokers.

Cara Trading Advisors provides investment supervisory services for a fee. Fees are either a percentage of assets under management or a performance based fee.

The type of clients that Cara Trading Advisors provides investment advice include: individuals, families and trusts.

The type of investments that we trade for our clients are exchange listed securities including: equities, equity options and bonds. We employ various methods of analysis, sources of information and investment strategies including: charting, fundamental, technical and cyclical analysis.

Our main sources of information regarding securities purchased are financial websites, research materials prepared by others, annual reports, prospectuses and any other information source that would benefit our clients.

The investment strategies used to implement any investment advice given to clients include both short and long term purchases and sales. Our primary focus is on growing client assets for the long term. However; if a short term purchase and sale of a security will benefit our clients in the long term, we will make that transaction.

This is our primary business and we do not generate income from any business activity that is counter to our clients' best interest. At any time, we may be involved in business activities outside of trading securities for our clients, but we never take a position opposite of a position that we take for our clients in order to benefit Cara Trading Advisors. We may buy or sell securities that we recommend to clients, but we will always be on the same side as our clients.

It is at the full discretion of Cara Trading Advisors as to which securities are bought and sold. We do not receive any compensation or economic benefit including commissions, equipment or any non-research

services based on our choice of broker dealer used. Our focus is on our client and the growth of their accounts under our management. Therefore we seek to facilitate trades at a broker dealer with the best blend of; commission rates, access to products and access to liquidity. We currently use Interactive Brokers for our broker dealer because, in our opinion, they address our client needs better than any other broker dealer available.

Asset Management Fees are generally charged to the client based on the ending market value of the assets in the account for the preceding day. Fees are deducted from the account assets held at the broker on a daily basis. The Client authorizes Adviser to deduct fees directly from the account through the Custodian.

Dependent on strategy, fees range from 0% to 25% of the yearly positive performance of the account after adjusting for deposits and withdrawals. This agreement may be terminated at any time and upon termination of the agreement, fees will be assessed on a percentage basis based on a fraction of the month of termination.

For non-qualifying US Citizens, fees will be charged on a Percentage of Assets basis.

## 02. Fees and Compensation

### Performance Based Fee:

Qualifying Clients are charged a Performance Based Fee. To be eligible for the performance based fee, the Client must have a minimum account size of \$1,000,000 and a minimum net worth of at least \$2 million USD.

The performance based fee is calculated on a monthly basis in arrears based on the Total Portfolio Value of the previous month-end. The Performance Based Fee is calculated based on a percentage of the net profits of the Total Portfolio Value of the account at the end of each month (adjusted for cash flows in and out of account). Depending on the strategy chosen by the Client, fees are typically between 15% and 25% of the allocable share of net profits above the previous "high watermark" set for the account.

For Example:

Assume a performance fee of 25%.

Assume a total starting Account value of \$1,000,000.

Assume that at the end of the first month that the Account has grown to \$1,100,000. This equates to a net profit of \$100,000. The fee is calculated at 25% of that net profit or \$25,000. The Account now has a "high water mark" of \$1,075,000.

Assume that at the end of the second month that the Account value has remained at \$1,075,000. Because the Account has not exceeded the "high water mark" of \$1,075,000, no fee is assessed. THE BASIS, OR HIGH WATER MARK REMAINS AT \$1,075,000. NO FEES WILL EVER BE ASSESSED UNTIL THE

ACCOUNT EXCEEDS THE HIGH WATER MARK OF \$1,075,000. ONCE A NEW HIGH WATER MARK IS ESTABLISHED, ANOTHER LESSER HIGH WATER MARK CANNOT BE ESTABLISHED. WE DON'T GET PAID UNLESS WE ARE GROWING THE ACCOUNT.

Asset Based Fee:

The Percentage of Assets Fee is applicable to Clients that are not qualified for the Performance Based Fee. The Percentage of Assets Fee is calculated based on a daily calculation of assets. This calculation is performed by Interactive Brokers. The Percentage of Assets Fee is calculated at 3.00% of account value annually, billed on a daily basis.

Please note that other advisors may provide similar services at lower rates. If we believe that market risk has risen to the point where cash is a beneficial asset, each account may have cash levels rise as a way to avoid market risk. However, when the market trend is up, we make our best efforts to keep client portfolios invested in rising assets.

### 3. Performance Based Fees and Side-By-Side Management

Regardless of how each client fee is charged, every client gets the same exact trades for that strategy. Every account for each strategy is placed in that specific account grouping and traded on a percentage of account value basis.

Accounts are grouped together and traded together. So, for example, when the Growth Strategy buys stock ABC for 5% of account value, a \$100,000 account gets roughly \$5000 (5%) worth of ABC stock while a \$200,000 account in the same Growth grouping will receive roughly \$10,000 (5%) of ABC stock. Both accounts now own the amount of shares that equals 5% of account value.

While trades occur together, fees are calculated on an individual account by account basis.

### 4. Types of Clients

The type of clients that Cara Trading Advisors provides investment advice include: individuals, families and trusts.

The Firm has 3 account strategies with different account minimums:

Growth Strategy:       \$50,000 minimum

Gold Strategy:         \$50,000 minimum

All-Weather Strategy:   \$250,000 minimum

## 5. Methods of Analysis, Investment Strategies and Risk of Loss

All investment strategies offered by Cara Trading Advisors have substantial risk of loss that clients must be prepared to bear. Investments are subject to many risks beyond our control including, but not limited to; economic, currency, geopolitical, business and technological risks.

We employ various methods of analysis, sources of information and investment strategies including: charting, fundamental, technical and cyclical analysis.

Our main sources of information regarding securities purchased are financial websites, research materials prepared by others, annual reports, prospectuses and any other information source that would benefit our clients.

The investment strategies used to implement any investment advice given to clients include both short and long term purchases and sales. Our primary focus is on growing client assets for the long term. However; if a short term purchase and sale of a security will benefit our clients in the long term, we will make that transaction.

Cara Trading Advisors offers three investment strategies:

- Growth – higher risk equity trading
- Gold – higher risk gold and silver mining equity trading
- All-Weather – moderate risk equity, gold and bond trading

## 6. Disciplinary Information

There are no legal or disciplinary events to be disclosed.

## 7. Other Financial Industry Activities and Affiliations

There are no other financial industry activities or affiliations to be disclosed.

## 8. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

The Adviser Act imposes a fiduciary duty on all investment advisers, including Cara Trading Advisors. As fiduciary, CTA has a duty to act solely in the best interests of each client. Clients entrust the firm to prudently manage their assets. This responsibility places a high standard on the conduct of supervised persons and compels all to act with the utmost integrity in all dealings. We will provide our Code of Ethics on request.

This is our primary business and we do not generate income from any business activity that is counter to our clients' best interest. At any time, we may be involved in business activities outside of trading securities for our clients, but we never take a position opposite of a position that we take for our clients in order to benefit Cara Trading Advisors. We may buy or sell securities that we recommend to clients, but we will always be on the same side as our clients.

## 9. Brokerage Practices

It is at the full discretion of Cara Trading Advisors as to which securities are bought and sold. We do not receive any compensation or economic benefit including commissions, equipment or any non-research services based on our choice of broker dealer used. Our focus is on our client and the growth of their accounts under our management. Therefore we seek to facilitate trades at a broker dealer with the best blend of; commission rates, access to products and access to liquidity. We currently use Interactive Brokers for our broker dealer because, in our opinion, they address our client needs better than any other broker dealer available.

## 10. Review of Accounts

Cara Trading Advisors regularly monitors and reviews accounts with the objective of ensuring client investment objectives and restrictions are met.

Reviews are continuously performed by the Portfolio Managers assigned to the accounts and all accounts are reviewed on a regular basis.

## 11. Client Referrals and Other Compensation

The Firm does not pay any person or business entity for client referrals.

## 12. Custody

Cara Trading Advisors does not have custody over client assets. All client assets are held at in the clients name at Interactive Brokers and the Firm does not access to client assets other than having trading privileges and the ability to deduct management fees.

## 13. Investment Discretion

Cara Trading Advisors actively trades client accounts with full discretionary authority. Clients do not trade accounts and do not have access to trading. However, should a client have a legal restriction from trading a certain security, the Firm will place a restriction on trading said security.

## 14. Voting Client Securities

We do not vote client securities because we are not the owner of said security. Clients can obtain a copy of our proxy voting policy on request.

## 15. Financial Information

We do not require of solicit prepayment of fees for any clients.

### Bill Cara Personal History:

William J. Cara was born on July 21, 1942

#### Qualifications:

35+ years professional, managerial and entrepreneurial experience:

- Capital Markets Trading - Domestic and International
- Computer Models/Decision Science
- Contributing Editor
- Corporate Finance Head
- Financial Information Systems Architecture
- International Venture Capital
- Management Consulting (Major Applications Problem Solving)
- Offshore Financial Services
- Portfolio Management
- Professional Accounting and Audit
- Public Speaking
- Retail & Institutional Equity Sales
- Securities Analysis (Fundamental, Quantitative and Technical)
- Team Leadership (as Founder, Co-Founder, Executive Chairman and CEO)

#### Financial Services Industry Experience:

- Owner and President, Registered Securities Investment Advisor - Cara Trading Advisors (Bahamas) Limited, incorporated February 19, 2007, Nassau, Bahamas, licensed September 2008
- Book Author, "Lessons From the Trader Wizard" [March 2008, available at Amazon.com]
- Blogger, "BillCara.com, CaraCommunity.com, formerly TraderWizard.com" [April 2004 to present]
- Caracommunity.com is a top-rated trading blog, including being Forbes Favorite almost since inception.
- Retired Businessman, November 2000 to February 2007, Toronto Canada and Nassau, Bahamas.
- Co-Founder and CEO, Canadian Investment Dealer - July 1999 to October 2000, Qtrade Investor Inc, Member, Investment Dealers Association, Vancouver, BC
- Owner and President, Offshore Financial Services Company, 1993 - 1999, Security Traders International Limited (trading and corporate finance), Toronto, ON and Nassau, Bahamas
- Owner and President, Registered Limited Market Dealer - 1988 - 1993 William Cara Investment Bancorp Limited (corporate finance Limited Market Dealer registered by the Ontario Securities Commission), Toronto, ON
- Vice President (Canada), Branch Manager and the CEO for Eastern Canada Operations of International Brokerage Firm - 1986 - 1988 Canarim/Canaccord Capital (member of the Investment Dealers Association of Canada), Toronto, ON
- Senior Financial Consultant - 1983 - 1986 Dean Witter Canada (member of the Investment Dealers Association of Canada), Toronto, ON

- Executive Vice President and Branch Manager - 1983 - 1983 Housser & Co (member of the Investment Dealers Association of Canada), Toronto, ON (acquired by larger broker-dealer)
- Senior Financial Consultant and Portfolio Manager - 1981 - 1983 Dominion Securities (member of the Investment Dealers Association of Canada), Dominion Securities Investment Management, Toronto, ON (now RBC Dominion Securities)
- Principal and Co-Founder - 1972 - 1980 Health Care Management Systems Inc (a consulting firm), Toronto, ON
- Senior Auditor - 1969 - 1972 McDonald, Currie, Coopers & Lybrand (PriceWaterhouseCoopers), Toronto, ON (graduate chartered accountant and certified management accountant)
- Junior Auditor - 1967 - 1969 Thorne, Gunn, Helliwell & Christenson (KPMG), Toronto, ON
- Education, Honors, Professional: Waterloo Lutheran University, 1964 - 1967 (now Wilfred Laurier University)  
BBA (Honours), (Cum Laude), Waterloo, ON  
Major: Finance and Accounting Award: Wall St. Journal Student Achievement Medal (top student in the Business School)
- Activities: Captain, New College hockey, University of Toronto (before transfer to WLU) McMaster University, 1968 - 1971
- MBA, Hamilton, ON (night school) Major: Investment Finance
- Chartered Accountant (CA), Member, Canadian Institute of Chartered Accountants, 1972 - 1983
- Activities: President, Toronto CA Hockey League for three years
- Registered Industrial Accountant / Certified Management Accountant (CMA), Member, Society of Management Accountants of Canada, 1972 - 1983

#### Personal:

- Excellent Health - Married since 1969 to Pat Cara, former Exec. Assistant to President, Greater Toronto Hotel Assoc. - Father to Will Cara (1979), Businessman in Toronto, and to Stefanie Cara (1981), Healthcare Management in Toronto.

#### Achievements in Finance and Investment (1999-2000):

- Planned, organized and developed Qtrade Investor Inc, of Vancouver BC Canada, ([www.qtrade.ca](http://www.qtrade.ca)) a nationally-registered investment dealer, from initial concept July 1999 through successful take-over negotiations by a global bank September 2000, creating a business value of well over US\$100 million within one year from concept. Projecting three-year growth of its customer base from zero to over 200,000 on-line accounts, this company is expected to become Canada's fastest growing start-up company of any kind. Responsible, as co-founder and CEO, for architecting the enterprise technology plan and recruiting and organizing all key brokerage staff and business processes for this highly automated firm. For independent personal references, contact chief systems architect Steve Kohalmi ([skohalmi@home.com](mailto:skohalmi@home.com)) and lawyer Murray Tevlin ([mtevlin@tevingleadle.com](mailto:mtevlin@tevingleadle.com)).
- Consulting/Problem Solving/Team Leadership/Executive Management (1980's and 1990's)



- Founder and Chief Officer for Eastern Canada of Canarim/Canaccord Capital, of Vancouver BC Canada ([www.canaccord.com](http://www.canaccord.com)), Canada's largest independent (non-bank owned) broker-dealer member of the Toronto Stock Exchange. Designed and implemented a new comprehensive broker support technology system. In addition, signed the premises lease for 12,500 sq.ft. on the top floor of the Toronto Stock Exchange Tower, designed the offices, managed the construction, hired and trained the initial staff of 38 professionals, and took executive responsibility for the total securities brokerage operation. See Newspaper Reports. Referral: Gordon Bradshaw CA, (formerly) Controller, Deltec Banking Corp, Lyford Cay Bahamas (now retired).
- Participated as organizer and lead manager in the creation and selling of almost \$100 million in debt and equity securities for Canadian and U.S. private and public corporations, creating shareholder values of almost \$1 billion. The most notable of companies that were given corporate finance support and help with organizing their companies from the first days were Star Data, Genesis Microchip ([www.genesis-microchip.com](http://www.genesis-microchip.com)) and Environmental Technologies. From start-up operations, these high-tech corporations later created quality jobs for hundreds of professional and technical persons in Toronto and Silicon Valley, California. See MarketLine prospectus.
- Co-delivered, with Canada's Senior Trade Commissioner, important economic development speeches in East Asia, entitled "Trading With and Investing In Canada". See Newspaper Reporting.
- Participated on a team of ten industry-leading people on a Task Force of the Ontario Government organized for the purpose of restructuring the Canadian Over-the-counter Automated Trading System now known as the CDN market of the Toronto Stock Exchange. See Government Report.
- Researched and presented a major paper on behalf of the public of Canada, at the request of the Ontario Securities Commission, on the subject of Electronic Clearing Networks, at the Forum of Securities Commissioners convened for that investigative purpose (February 1998). This objective presentation was the only one made privately among presentations made by all the Canadian Stock Exchanges, all major global information vendors, and major Canadian industry associations. Referrals: OSC Published Papers; Hugh Cleland, (formerly) OSC Advisor, and (2000-2001) Advisor to the Securities Commission of the Bahamas.
- Researched and presented a paper to the Senate Banking Committee of the Government of Canada (November 1998) related to proposals to re-organize the financial services industry of Canada. This presentation was made as a private individual at the request of the Senate Banking Committee, and was one of only three private presentations during four weeks of Senate hearings across Canada. Referral: Hansard Archives of Govt of Canada
- Researched and presented a paper to the Government of The Bahamas (Hon. William Allen) on Member Regulations for the then-proposed Bahamas Securities Exchange (1996), co-authored by a senior officer of the Toronto Stock Exchange.

- Conceived and Organized the plan to attract RHK Capital to The Bahamas to buy and redevelop the British Colonial Hotel, in part as the site of the new BISX (1996). Referral: MHKW Architects; Securities Commission of the Bahamas.

#### Professional Services Contracting (1970's):

- Organized (1971) a consulting firm targeting medical and hospital information technology and communication requirements. Scheduled and conducted meetings with government agencies, assisted hospitals and private clinics in developing specifications, prepared proposals, won contracts, and managed system development programmes. Over an eight year period, built a consulting organization employing approximately 10 employees performing assignments for private clinics, hospitals, associations and commercial clients.
- Organized (1976) the first Computer Sub-Committee of the General Economics Council of the Canadian Medical Association, and co-authored the Computer Assisted Physician's Office Handbook of the CMA.
- Designed and implemented the first automated medical claims submission to the Ontario Health Services Insurance Programme (1972). Submitting claims for organizations such as Commerce Court Medical Centre, Sunnybrook Hospital University of Toronto Clinics, St. Joseph's Health Centre, Toronto East General Hospital, Haematology Services, Doctors Clinical Laboratories, and several others, this transaction processing service grew to cover clients handling almost 75,000 patient visits per month, six months from start-up.
- Proposed and won contract with McMaster University Medical Centre (1972) to flowchart and document management systems and introduce automation technology into this major hospital organization.
- Won the contract with the Toronto Sisters of St. Joseph's to organize the management systems of the St. Michael's Hospital Commerce Court Medical Centre, Toronto (1972). This project became one of Canada's first uses of automation technology in the capture of patient records and medical claims processing.
- Won the contract with Markborough Properties to organize the Community Health Centre at Meadowvale Town Centre (1973). This project involved presentations to municipal ratepayers groups and to Mississauga City Council.
- Contact: BillCara@caratrading.com and Tel (242) 327-6679 and (cell) 647-868-6013.
- Personal Filing with Canadian Securities Administrators and Reference Letters Available Upon Request.

## **Other Businesses**

### **Greenfield Mining Capital**

Bill Cara - President

Greenfield Mining Capital Inc, is a professional consulting services firm intended to serve the boards of directors, management, and investors of small metals and minerals exploration companies. Greenfield's services may also be of interest to government agencies, funds, broker-dealers, investment advisors, and high net worth individuals.

Greenfield's focus is on helping clients acquire equity participation in pre-IPO and/or early stage public resource companies with undeveloped or undervalued high-quality resources. In addition, we can help such companies in need of managerial, technical, and financial resources realize their full potential.

The Company's principals and staff possess long experience and proven expertise relating to the mining industry, metals and minerals exploration and development companies, and resource-oriented equity capital markets.