

**DISCLOSURE DOCUMENT  
OF  
GT CAPITAL CTA**

**A COMMODITY TRADING ADVISOR REGISTERED WITH THE  
COMMODITY FUTURES TRADING COMMISSION  
AND A MEMBER FIRM OF THE NATIONAL FUTURES ASSOCIATION**

---

**GT Capital CTA**  
196 North Carmelina Avenue  
Los Angeles, California 90049  
Telephone (310) 472-0206  
Facsimile (310) 388-0104  
Email: gtcapitalcta@gmail.com

---

**THE COMMODITY FUTURES TRADING COMMISSION  
HAS NOT PASSED UPON THE MERITS OF PARTICIPATING  
IN THIS TRADING PROGRAM NOR HAS THE COMMISSION  
PASSED ON THE ADEQUACY OR ACCURACY OF THIS  
DISCLOSURE DOCUMENT**

**GT CAPITAL CTA INTENDS TO USE THIS  
DISCLOSURE DOCUMENT BEGINNING ON NOVEMBER 18, 2011.**

## **RISK DISCLOSURE STATEMENT**

**THE RISK OF LOSS IN TRADING COMMODITY INTERESTS CAN BE SUBSTANTIAL. YOU SHOULD THEREFORE CAREFULLY CONSIDER WHETHER SUCH TRADING IS SUITABLE FOR YOU IN LIGHT OF YOUR FINANCIAL CONDITION. IN CONSIDERING WHETHER TO TRADE OR TO AUTHORIZE SOMEONE ELSE TO TRADE FOR YOU, YOU SHOULD BE AWARE OF THE FOLLOWING:**

**IF YOU PURCHASE A COMMODITY OPTION, YOU MAY SUSTAIN A TOTAL LOSS OF THE PREMIUM AND OF ALL TRANSACTION COSTS.**

**IF YOU PURCHASE OR SELL A COMMODITY FUTURES CONTRACT OR SELL A COMMODITY OPTION OR ENGAGE IN OFF-EXCHANGE FOREIGN CURRENCY TRADING YOU MAY SUSTAIN A TOTAL LOSS OF THE INITIAL MARGIN FUNDS OR SECURITY DEPOSIT AND ANY ADDITIONAL FUNDS THAT YOU DEPOSIT WITH YOUR BROKER TO ESTABLISH OR MAINTAIN YOUR POSITION. IF THE MARKET MOVES AGAINST YOUR POSITION, YOU MAY BE CALLED UPON BY YOUR BROKER TO DEPOSIT A SUBSTANTIAL AMOUNT OF ADDITIONAL MARGIN FUNDS, ON SHORT NOTICE, IN ORDER TO MAINTAIN YOUR POSITION. IF YOU DO NOT PROVIDE THE REQUESTED FUNDS WITHIN THE PRESCRIBED TIME, YOUR POSITION MAY BE LIQUIDATED AT A LOSS, AND YOU WILL BE LIABLE FOR ANY RESULTING DEFICIT IN YOUR ACCOUNT.**

**UNDER CERTAIN MARKET CONDITIONS, YOU MAY FIND IT DIFFICULT OR IMPOSSIBLE TO LIQUIDATE A POSITION. THIS CAN OCCUR FOR EXAMPLE WHEN THE MARKET MAKES A "LIMIT MOVE."**

**THE PLACEMENT OF CONTINGENT ORDERS BY YOU OR YOUR TRADING ADVISOR, SUCH AS A "STOP-LOSS" OR "STOP-LIMIT" ORDER, WILL NOT NECESSARILY LIMIT YOUR LOSSES TO THE INTENDED AMOUNTS, SINCE MARKET CONDITIONS MAY MAKE IT IMPOSSIBLE TO EXECUTE SUCH ORDERS.**

**A "SPREAD" POSITION MAY NOT BE LESS RISKY THAN A SIMPLE "LONG" OR "SHORT" POSITION.**

**THE HIGH DEGREE OF LEVERAGE THAT IS OFTEN OBTAINABLE IN COMMODITY INTEREST TRADING CAN WORK AGAINST YOU AS WELL AS FOR YOU. THE USE OF LEVERAGE CAN LEAD TO LARGE LOSSES AS WELL AS GAINS.**

**IN SOME CASES, MANAGED COMMODITY ACCOUNTS ARE SUBJECT TO SUBSTANTIAL CHARGES FOR MANAGEMENT AND ADVISORY FEES. IT MAY**

BE NECESSARY FOR THOSE ACCOUNTS THAT ARE SUBJECT TO THESE CHARGES TO MAKE SUBSTANTIAL TRADING PROFITS TO AVOID DEPLETION OR EXHAUSTION OF THEIR ASSETS. THIS DISCLOSURE DOCUMENT CONTAINS AT PAGES 10 AND 11 A COMPLETE DESCRIPTION OF EACH FEE TO BE CHARGED TO YOUR ACCOUNT BY THE COMMODITY TRADING ADVISOR.

THIS BRIEF STATEMENT CANNOT DISCLOSE ALL OF THE RISKS AND OTHER SIGNIFICANT ASPECTS OF THE COMMODITY INTEREST MARKETS. YOU SHOULD THEREFORE CAREFULLY STUDY THIS DISCLOSURE DOCUMENT AND COMMODITY INTEREST TRADING BEFORE YOU TRADE, INCLUDING THE DESCRIPTION OF THE PRINCIPAL RISK FACTORS OF THIS INVESTMENT, AT PAGES 4 THROUGH 7.

YOU SHOULD ALSO BE AWARE THAT THIS COMMODITY TRADING ADVISOR MAY ENGAGE IN TRADING FOREIGN FUTURES OR OPTIONS CONTRACTS. TRANSACTIONS ON MARKETS LOCATED OUTSIDE THE UNITED STATES, INCLUDING MARKETS FORMALLY LINKED TO A UNITED STATES MARKET MAY BE SUBJECT TO REGULATIONS WHICH OFFER DIFFERENT OR DIMINISHED PROTECTION. FURTHER, UNITED STATES REGULATORY AUTHORITIES MAY BE UNABLE TO COMPEL THE ENFORCEMENT OF THE RULES OF REGULATORY AUTHORITIES OR MARKETS IN NON-UNITED STATES JURISDICTIONS WHERE YOUR TRANSACTIONS MAY BE EFFECTED. BEFORE YOU TRADE YOU SHOULD INQUIRE ABOUT ANY RULES RELEVANT TO YOUR PARTICULAR CONTEMPLATED TRANSACTIONS AND ASK THE FIRM WITH WHICH YOU INTEND TO TRADE FOR DETAILS ABOUT THE TYPES OF REDRESS AVAILABLE IN BOTH YOUR LOCAL AND OTHER RELEVANT JURISDICTIONS.

THIS COMMODITY TRADING ADVISOR IS PROHIBITED BY LAW FROM ACCEPTING FUNDS IN THE TRADING ADVISOR'S NAME FROM A CLIENT FOR TRADING COMMODITY INTERESTS. YOU MUST PLACE ALL FUNDS FOR TRADING IN THIS TRADING PROGRAM DIRECTLY WITH A FUTURES COMMISSION MERCHANT OR RETAIL FOREIGN EXCHANGE DEALER, AS APPLICABLE.

## TABLE OF CONTENTS

	Page
1. Introduction .....	1
2. Background of the Principal .....	1
3. Futures Commission Merchant and Introducing Broker.....	2
4. Conflicts of Interest.....	3
5. Principal Risk Factors .....	4
6. Trading Methodology .....	7
7. Proprietary Trading.....	10
8. Fees and Expenses.....	10
9. The Futures and Options Markets.....	11
10. Notionally Funded Accounts Disclosure .....	13
11. Performance Information.....	15

## 1. INTRODUCTION

GT Capital CTA\* (“GT Capital” or “Advisor”) is a corporation organized on March 23, 2007 under the laws of the State of California and initially formed as a business consulting and administrative services firm. GT Capital has been registered with the Commodity Futures Trading Commission (“CFTC”) as a Commodity Trading Advisor (“CTA”) since May 12, 2009, and has been a member of the National Futures Association (“NFA”) since that date. The main business address of the Advisor is 196 North Carmelina, Los Angeles, California 90049; telephone (310) 472-0206; facsimile (310) 388-0104. The sole Principal of GT Capital is Guerman Teitelbaoum.

The Advisor is offering Clients an opportunity to participate in managed account programs which seek capital appreciation of Clients’ assets through speculative trading in commodity futures and options on commodity futures. There is no representation being made that these programs will be successful in achieving this goal.

## 2. BACKGROUND OF THE PRINCIPAL

### **Guerman Teitelbaoum**

Guerman Teitelbaoum is the sole principal and President of GT Capital CTA. He is responsible for all aspects of the firm’s operation, including market research, trading, operation and management. He holds a degree in Industrial Economics & Electronics from the Russian Aerospace University. From July 1998 through September 1999, Mr. Teitelbaoum was the chief executive officer of the International Entrepreneurial Institute, a business consulting and management firm, where he was involved in the development of industrial and aviation projects, storage facilities and marketing. In October 1999, he became the Chief Financial Officer, Secretary and Director of PowerSource Corporation, a company active in the deregulation of electricity in California and providing consumers more options in choosing electricity providers. After leaving PowerSource Corporation in April 2001, Mr. Teitelbaoum joined Dighton Group, an investment management company, in May 2001 where he acted as a risk manager, trading system developer and back office manager until August 2011. On August 14, 2008, he became registered as an Associated Person (“AP”) and was approved as Principal of Dighton Capital USA, a registered CTA and Commodity Pool Operator, where he acted as a risk manager and assisted with back office operations such as accounting, updating databases and bill processing. On July 6, 2009, he withdrew his AP registration and Principal listing with Dighton Capital USA, and was listed as a Principal of Dighton Capital CTA Limited, a registered CTA, from July 8, 2009 until his withdrawal from the company on October 20, 2011. While at Dighton Capital CTA Limited, he assisted in risk management and acted in an administrative capacity by coordinating with and assisting the company’s accountants,

---

\* GT Capital is a California corporation formed in March 2007 under the name GT Consulting, Inc. GT Capital CTA is the name under which GT Consulting, Inc. is transacting business.

attorneys and vendors in performing their services for the company.

Mr. Teitelbaum became registered as an AP of GT Capital on May 12, 2009. He was approved as a Principal of GT Capital on May 8, 2009.

### **Legal Proceedings**

There have been no material civil, administrative, or criminal proceedings pending, on appeal, or concluded against GT Capital or its Principal in the past five years.

The performance of accounts directed by the Advisor is set forth on pages 16 and 17.

### **3. FUTURES COMMISSION MERCHANT AND INTRODUCING BROKER**

The Advisor offers two trading programs: the GT Dynamic Trading Program and the GT Dynamic Day Trading Program. Clients participating in the GT Dynamic Trading Program are free to choose the Futures Commission Merchant ("FCM") and Introducing Broker ("IB") of their choice. With the exception of accounts funded at \$250,000 and above, Clients participating in the GT Dynamic Day Trading Program are required to maintain their accounts with Vision Financial Markets, LLC ("Vision"), a registered FCM. Clients participating in the GT Dynamic Day Trading Program are free to choose the IB of their choice, provided that the Client's IB has a clearing relationship with Vision.

#### **Vision Financial Markets, LLC**

Vision is a Delaware Limited Liability Company registered in its futures capacity with the CFTC as a FCM and is a member of the NFA. In its securities capacity Vision is registered as a broker-dealer with the SEC and is a member of FINRA. Vision holds the following memberships for futures: Chicago Mercantile Exchange, Chicago Board of Trade, New York Mercantile Exchange, COMEX, One Chicago, CBOE Futures Exchange, NYSE Liffe, and ICE Futures (USA). Also for futures clearing it is a member of the CME Clearinghouse, ICE Futures Clearinghouse and the OCC Clearing Corporation. For Vision's securities business, it is a member of the Bats Exchange, CBOE Stock Exchange, Chicago Board Options Exchange and the International Securities Exchange. For securities clearing, it is a member of the Depository Trust Company and the Options Clearing Corporation. Finally, it is a member of the Securities Investor Protection Corporation. Vision maintains offices in New York, New York; Chicago, Illinois; and Stamford, Connecticut.

There have been no administrative or criminal actions, whether pending or concluded, against Vision or any of its individual principals during the past five years

which would be considered "material" as that term is defined in Section 4.24(l)(2) of the Regulations of the CFTC, except for the following:

On May 18, 2011, simultaneously with the issuance of a complaint by the NFA, Vision Financial Markets LLC consented to a finding based on a one-count complaint for failure to supervise guaranteed IBs in violation of NFA Compliance Rule 2-9(a). The alleged activities occurred prior to 2009. Without admitting or denying the findings in the Committee's Decision, Vision consented to pay a fine of \$500,000 and to retain an independent consultant to review its supervisory procedures relating to guaranteed IBs. Vision undertook to implement revised procedures for supervising GIBs within 6 months. Finally, Vision consented to a restriction on guaranteeing new introducing brokers until 2013, unless it petitions the NFA to lift the restriction earlier.

#### **4. CONFLICTS OF INTEREST**

GT Capital and its principal may actively solicit for and manage other client accounts. In addition, GT Capital and its principal may trade for their own accounts and the accounts of their principals and their family members (collectively, "Proprietary Accounts"). In conducting such activities, GT Capital and its principal may have conflicts of interest in allocating management time and administrative functions.

Further, Clients may participate in a "block" order that may include positions for unrelated client accounts of GT Capital, as well as Proprietary Accounts. In all cases, a systematic, non-preferential method of allocating the fill prices of any block order that results in a split fill will be used. Neither GT Capital nor its principal will enter into any trade for Proprietary Accounts where they knowingly favor any account over a Client's accounts.

GT Capital may use the same trading methods and strategies for its other clients' or Proprietary Accounts. Therefore, the foregoing accounts may compete for the same position. In addition, no assurance is given that the performance of all such accounts will be identical or even similar because the trades in the various accounts may be of varying duration or even opposite of those held by Clients' accounts. In rendering trading advice to any client, GT Capital will not knowingly or deliberately favor any Proprietary Account or other client account over a Client's account.

The Advisor and Vision have entered into an exclusive marketing agreement that requires Clients participating in the GT Dynamic Day Trading Program to maintain their accounts with Vision (with the exception of accounts funded at \$250,000 and above). In exchange for this requirement, the Advisor receives marketing, compliance and accounting services from Vision. Accordingly, the Advisor's decision to require Clients to maintain accounts with Vision is based, in part, on Vision providing services to the Advisor. Please note, however, that the Advisor believes that Vision provides excellent clearing and execution services, which will benefit Clients maintaining their accounts with Vision.

In addition, a conflict of interest exists insofar as the Advisor is compensated on an incentive fee basis, which may increase the likelihood that the Advisor may engage in trading which is riskier than that which is described in the trading programs. However, the Advisor has no intention of engaging in trading in any manner not consistent with the trading programs described herein.

## 5. PRINCIPAL RISK FACTORS

Prospective clients should consider all of the risk factors described below and elsewhere in this Disclosure Document before participating in the programs.

**Futures Trading Is Speculative and Volatile.** Futures prices are highly volatile. Price movements for such interests are influenced by, among other things: changing supply and demand relationships; weather, agricultural, trade, fiscal, monetary, and exchange control programs and policies of governments; United States and foreign political and economic events and policies; changes in national and international interest rates and rates of inflation; currency devaluations and revaluations; and emotions of the marketplace. None of these factors can be controlled by the Advisor and no assurance can be given that the Advisor's trading actions will result in profitable trades for a Client or that a Client will not incur substantial losses.

**Futures Trading Is Highly Leveraged.** A futures position can be established with margin typically between 2% and 20% of the total value of the commodity interest contract purchased or sold. This can permit an extremely high degree of leverage. Accordingly, a relatively small price movement in a contract may result in immediate and substantial losses to the investor. Thus, like other leveraged investments, any trade may result in losses in excess of the amount invested.

When the market value of a particular open position changes to a point where the margin on deposit in a participating customer's account does not satisfy the applicable maintenance margin requirement imposed by the customer's FCM, the customer, and not the Advisor, will receive a margin call from the FCM. If the customer does not satisfy the margin call within a reasonable time, the FCM will close out the customer's position.

**Futures Markets May Be Illiquid.** The markets may become illiquid due, for example, to daily price fluctuation limits, making it impossible for a trader to close out a position against which the market is moving. Conversely, speculative position limits or other market constraints may prevent an Advisor from acquiring positions otherwise indicated by its strategy, eliminating profit opportunities or making it impossible to protect against further losses. This combination implies a high degree of risk. Futures trading is a zero-sum, risk transfer activity in which, by definition, for every gain there is an offsetting loss rather than a mutual participation over time in economic growth. An account's success depends entirely on the Advisor's ability to predict or follow future

price movements or otherwise implement its trading strategies. There can be no assurances of the Advisor's success in doing so.

**Foreign Exchanges.** Trading on exchanges outside the United States is not regulated by any United States governmental agency and may involve certain risks not applicable to trading on United States exchanges. For example, some foreign exchanges, in contrast to United States exchanges, are "principal's markets" in which performance is the responsibility only of the individual member with whom the trader has entered into a futures contract and not of an exchange or clearing corporation. Moreover, such trading may be subject to whatever regulatory provisions are applicable to transactions effected outside the United States, whether on foreign exchanges or otherwise. Trading on foreign exchanges involves the additional risks of expropriation, burdensome or confiscatory taxation, moratoriums, and investment controls or political or diplomatic events which might adversely affect the Advisor's trading activities. Trading on foreign exchanges is also subject to the risk of changes in the exchange rate between United States Dollars and the currencies in which contracts on such exchanges are settled.

**Trading of Commodity Options Involves Certain Risks.** Options on certain futures contracts and options on certain physical commodities have been approved by the CFTC for trading on United States exchanges. Each such option is a right, purchased for a certain price to either buy or sell the underlying futures contract or physical commodity during a certain period of time for a fixed price. The Advisor may engage in the trading of options for the account of a Client.

Although successful options trading requires many of the same skills, as does successful futures contract trading, the risks involved are somewhat different. For example, if the Advisor, on behalf of a participating customer buys an option (either to sell or buy a futures contract or commodity), the customer will be required to pay a "premium" representing the market value of the option. Unless the price of the futures contract or commodity underlying the option changes and it becomes profitable to exercise or offset the option before it expires, the Client may lose the entire amount of the premium. Conversely, if the Advisor, on behalf of a Client, sells an option (either to sell or buy a futures contract or commodity), the Client will be credited with the premium but will have to deposit margin with the customer's FCM due to the customer's contingent liability to deliver or accept the futures contract or commodity underlying the option in the event the option is exercised. Traders who sell options are subject to the entire loss which occurs in the underlying futures contract or commodity (less any premium received). Further, the Advisor may engage in selling uncovered or "naked" options as part of its GT Dynamic Trading Program. The risk involved in the use of these options is unlimited. The ability to trade in or exercise options may be restricted in the event that trading in the underlying futures contract or commodity becomes restricted. Such trading may involve additional risks because the Advisor has limited experience trading commodity options.

**A Client's FCM May Fail.** Under CFTC regulations, FCMs are required to maintain customers' assets in a segregated account. If a Client's FCM fails to do so, the Client may be subject to a risk of loss of his funds on deposit with his FCM in the event of its bankruptcy. In addition, under certain circumstances, such as the inability of another customer of the FCM or the FCM itself to satisfy substantial deficiencies in such other customer's account, a participating customer may be subject to a risk of loss of his funds on deposit with his FCM, even if such funds are properly segregated. In the case of any such bankruptcy or customer loss, a Client might recover, even in respect of property specifically traceable to the customer, only a pro rata share of all property available for distribution to all of the FCM's customers or potentially recover no assets at all.

**Substantial Fees and Expenses.** A Client is subject to substantial brokerage commissions and other transaction costs as well as management and incentive fees. Accordingly, a Client's account will have to earn substantial trading profits to avoid depletion of the Client's funds due to such commissions, costs, and fees.

The Client, and not the Advisor, is directly responsible for paying to the Client's FCM or, as appropriate, all margins, option premiums, brokerage commissions and fees, and other transaction costs and expenses incurred in connection with transactions effected for the customer's account by the Advisor. The Advisor considers the interests of its Clients paramount and manages all accounts to further the interests of customers. Nevertheless, no assurance can be given by the Advisor as to any minimum or maximum number of transactions which will be entered into for a Client's account during any period for which the account is managed by the Advisor.

**Tax liability.** Clients should satisfy themselves as to the income tax and other tax consequences of an investment in a managed account program with specific reference to their own tax situation by obtaining advice from their own tax counsel before participating in a managed account program.

**Day Trading.** The Advisor may very actively trade the Clients' accounts, and may engage in "day-trading," which involves initiating and exiting a position on the same trading day. For the GT Dynamic Day Trading Program, the Advisor will engage in such "day-trading." When day-trading, several positions may be initiated and exited on the same trading day. Because Clients will be charged brokerage commissions each time a trade is placed, Clients will incur substantial brokerage commissions. While the Advisor believes that the profits resulting from the trading programs will more than compensate for these increased transactional costs, there is no assurance that this will occur.

**Position Trading.** The Advisor may also position trade the Client accounts, which involves holding positions for longer periods of time. Positions held overnight may be more vulnerable to risk of loss if a market-moving event occurs when the markets are closed. If this occurs, it may be impossible to liquidate positions, which may subject Clients to substantial losses.

**Electronic Trading.** The Advisor may place trades on the various electronic trading platforms offered by the exchanges. In the event that there is a failure or disruption of these platforms, it is possible that, for a certain time period, the Advisor may not be able to enter new orders, execute existing orders, or modify or cancel orders that were previously entered. In addition, a system failure may also result in loss of orders or order priority.

**Concentration Risk.** The Advisor's trading programs involve trading in a diverse group of futures markets, with an emphasis on trading in the E-Mini S&P 500 futures and options contracts traded at the Chicago Mercantile Exchange. Because the Advisor's trading will be concentrated in this area, the programs are not as diverse as other trading programs, and thus may be subject to greater risk of loss in the event that the Advisor is unable to trade profitably in these markets.

**Trading Disruptions.** Following the terrorist attacks of September 11, 2001, the United States financial markets were closed for several days. In addition, once they were reopened, these markets experienced extreme volatility and a lack of liquidity. There can be no assurance that world events will not cause severe market disruptions in the future. If such market disruptions were to occur again, Clients' performance could be adversely affected due to the fact that Clients' assets will be invested in these markets. For instance, the Advisor's ability to liquidate a position in order to limit losses could be hindered.

## 6. TRADING METHODOLOGY AND RISK MANAGEMENT

### Introduction

The Advisor seeks capital appreciation of Clients' accounts through speculative trading in commodity futures and options on commodity futures. There is no representation being made that the trading programs offered by the Advisor will be successful in achieving this goal. The Advisor offers two trading programs: the GT Dynamic Trading Program and the GT Dynamic Day Trading Program.

The Advisor recommends that Clients open accounts with a minimum of \$150,000 for the GT Dynamic Trading Program and with a minimum of \$75,000 for the GT Dynamic Day Trading Program in order to ensure that Clients will have sufficient equity in their accounts to fully participate in the program. However, the Advisor reserves the right to waive these minimum funding requirements. The Advisor will accept notionally funded accounts.

The trading programs utilized by GT Capital are proprietary and confidential. The descriptions below are therefore general by necessity and are not intended to be exhaustive.

## **Description of the Trading Programs**

### **Types of Transactions**

The Advisor's objective for the GT Dynamic Trading Program and the GT Dynamic Day Trading Program is to achieve appreciation of Clients' assets through speculative trading in futures contracts and options on futures contracts. There is no representation being made that the trading programs offered by the Advisor will be successful in achieving this goal.

For the GT Dynamic Trading Program, the Advisor intends to focus on trading the E-Mini S&P 500 futures contracts and options contracts. For the GT Dynamic Day Trading Program, the Advisor intends to focus on trading the E-Mini S&P futures, but not options, contracts. However, for both programs the Advisor reserves the right to trade any liquid futures or options contracts which, in its sole discretion, the Advisor determines represents an attractive trading opportunity.

### **In General**

Money managers generally rely on either fundamental or technical analysis, or a combination thereof, in making trading decisions and attempting to identify price trends in a commodity interest. "Fundamental analysis" is the consideration of factors external to the market of a particular instrument. For example, weather and political events which affect the supply and demand of that particular instrument, in order to predict future prices of that instrument. As an example, some of the fundamental factors that affect the supply of commodities (e.g., agricultural products such as corn and soybeans) include the acreage planted, weather during the growing season, harvesting and distribution of the commodity and the previous year's crop carryover. The demand for such commodities is determined in part by domestic consumption and exports and is a product of many factors, including general world economic conditions, exports and the cost of competing products which might be substituted as alternate sources of food or fiber.

Technical analysis is not based on the anticipated supply and demand of the "cash" or "physical" (i.e., actual) commodity; instead, technical analysis is based on the theory that a study of the markets themselves (in particular, of trends of prices established by the markets for various instruments during selected historical periods) provides a means of anticipating prices. Technical analysis of the markets often includes a study of the actual daily, weekly and monthly price fluctuations, as well as volume variations and changes in open interest, utilizing charts and/or computers for analysis of these items and other technical market data.

Both general methodologies have been employed with success by traders and investors in the past, however, neither trading method can be assured of success in a particular interval of time.

## The GT Dynamic Trading Program

The GT Dynamic Trading Program employs a proprietary trading technique developed by GT Capital's Principal in which fundamental factors, such as market psychology, and technical indicators are combined in an attempt to forecast market direction. The Advisor looks to enter markets which appear to be overbought or oversold and exploit these conditions by taking the appropriate side in the market. In determining which direction of the market to trade, the Advisor uses technical indicators such as Elliot Wave counts, Fibonacci retracements, moving averages, and stochastics to determine appropriate entry and exit levels. For instance, if a market appears to be in a bearish trend, the Advisor waits until all of the program's indicators show the market as being oversold and that a trend reversal is likely to occur before placing an order to go long in the market. In assessing the number of contracts to trade, the Advisor examines the volatility and volume of the market in order to avoid having to liquidate a position prematurely due to temporary price reversals. In a trending market, the program is also designed to take partial profits by exiting portions of positions at pre-determined retracement levels, while leaving the remainder of the position open to take advantage of a continuation in the trend.

GT Capital may also trade accounts using options strategies, including purchasing options to initiate positions or manage risk on open futures positions, selling uncovered or "naked" options for the purpose of generating additional income and using both credit and debit spread strategies.

For the GT Dynamic Trading Program, the Advisor will generally attempt to limit risk between three percent (3%) and ten percent (10%) of an account's equity per trade. However there is no guarantee that losses on any given trade will be limited to these amounts. Stop loss points are determined at the time a trade is initiated. Please note that stop loss orders become market orders when activated and therefore, there is no guarantee that such orders will be filled at the stop loss points. Further, stop loss orders may not necessarily limit losses to the determined amounts in the event that market conditions make it impossible to execute such orders. Options may also be used in an attempt to protect existing futures positions. Please note that while GT Capital adheres to certain risk management techniques, there can be no guarantee that these techniques will be successful.

While GT Capital makes every effort to adhere to the trading program, GT Capital reserves the right to take appropriate actions outside the systems if warranted by exceptional or unusual market conditions or if the world situation results in unusually high amounts of risk.

The GT Dynamic Trading Program typically results in between twenty percent (20%) and fifty percent (50%) of the total assets of the Clients' accounts being used to margin positions. However, this percentage may be substantially more or less at the discretion of GT Capital.

## The GT Dynamic Day Trading Program

The GT Dynamic Day Trading Program trades according to the same principles as the GT Dynamic Trading Program described above, but on a shorter time frame and using only futures and not options. The market data is analyzed on an intraday basis, and positions are rarely (if ever) held overnight. As such, the program involves “day-trading,” which involves initiating and exiting a position on the same trading day.

For this program, the Advisor intends to trade predominantly the e-mini S&P 500 contract. However, the Advisor reserves the right to trade any liquid commodity in its sole discretion.

The Advisor generally attempts to limit its daily risk to between one percent (1%) and four percent (4%) of an account’s equity per day. However there is no guarantee that losses will be limited to these amounts.

### **7. PROPRIETARY TRADING**

The Advisor and its principal may trade for their own accounts (“Proprietary Accounts”). The records associated with GT Capital’s trading of Proprietary Accounts or other client accounts will not be available for inspection by Clients.

### **8. FEES AND EXPENSES**

Clients’ accounts shall be charged the fees as set forth below. Once these fees are earned, the Advisor will retain the fees regardless of an account's subsequent performance. Management and incentive fees are negotiable and may vary depending upon account size and other factors. The Advisor will not receive a portion of brokerage commissions on any account. Fees are charged monthly.

#### **a. Management Fee**

The Advisor will receive a management fee of up to 1/6 of 1% (2% annually) of the Net Assets in the Client's account at the end of each month. Net Assets are the account's total assets and liabilities, including realized and unrealized gains and losses. If the account is traded for less than a month, the management fee shall be pro-rated according to the number of days it was traded.

The Advisor may accept partially funded (“notional”) accounts. The management fees charged to such an account will be based on the nominal value (actual fund plus the notional amount committed) of the account. To determine the percentage of management fees charged based on actual funds, compute the management fees based on the notional funds and divide by the actual funds. For example, if a Client is charged a 2% management fee, a \$100,000 account traded as \$150,000 account is charged

2% of \$150,000, or \$3,000 annually. The percentage of management fees charged based on actual funds is then computed by dividing \$3,000 by \$100,000 (the actual account size), which equals a management fee of 3%. If the Advisor accepts an account that contains no actual funds, and is only notionally funded, the management fee charged to the account will be based on the nominal value of the account.

b. Incentive Fee

The Advisor will receive an incentive fee based on a percentage Net New Profits the Advisor generates in an account for a month. More specifically, the Advisor will receive up to 33% of the Net New Profits.

Net New Profits are the amount, if any, by which the account's Net Assets at the end of the month (after deducting the management fees for the month) exceed the highest previous month-end Net Assets of the account (or Net Assets at the start of trading, whichever is higher), disregarding capital additions and withdrawals. For example, when month-end Net Assets are \$200,000 (after deducting the management fees and assuming there are no capital additions or withdrawals) and the highest previous month-end Net Assets were \$160,000 (after payment of the incentive fee for that month), the incentive fee would be charged based on the \$40,000 in Net New Profits for the current month.

If a Client's account experiences aggregate net investment losses (both realized and unrealized) for any incentive period, such losses (the "Carryforward Loss") shall be deducted from Net New Profits for each succeeding month for the purpose of determining the incentive fee for each such month until the full amount of the Carryforward loss has been offset by Net New Profits.

c. Accounting Fee

The Advisor will charge an accounting fee of \$20 per month.

## 9. THE FUTURES AND OPTIONS MARKETS

Futures Contracts. A futures contract is an agreement, made through the facilities of an established exchange, by which the seller agrees to deliver and the buyer agrees to accept, a certain quantity of a specified grade of a commodity during a designated delivery month at a specified price. Certain futures contracts, such as those in Eurodollar time deposits or stock indices, are closed out by cash settlement of the profit or loss of an open position rather than by delivery. Speculative traders rarely expect to take delivery of any commodity under a futures contract. Rather, they hope to realize profits from fluctuations in the price of futures contracts, "offsetting" such contracts by taking an equal and opposite position in the same contract before delivery is due. A margin deposit is required to initiate both "long" and "short" futures positions. Additional margin is required if unrealized losses in open positions reduce the margin

on deposit below required minimums. Unlike margin in the securities industry, which essentially constitutes a loan from a client's stockbroker, margin in futures trading acts as a deposit to give assurance to a trader's futures broker of the trader's ability to pay for any losses which may be incurred on the trader's positions.

Options Contracts. An option on a futures contract gives the purchaser of the option the right to take a position at a specified price (the "strike" or "exercise" price) in the underlying futures contract. A "call" option gives the purchaser the right to take a long position in the underlying futures contract, and the purchaser of a "put" option acquires the right to take a short position in the underlying contract. The purchase price of an option is referred to as its "premium". The seller (or "writer") of an option is obligated to take a futures position at a specified price opposite to the option buyer if the option is exercised. Selling such options involves risks similar to those involved in trading futures contracts, in that options are speculative and highly leveraged. Specific market movements of the commodities or futures contracts underlying an option cannot accurately be predicted. The purchaser of an option is subject to the risk of losing the entire purchase price of the option, plus the fees and commissions associated with the transaction. The writer of an option is subject to the risk of potentially unlimited loss in excess of the premiums received, plus the fees and commissions associated with the transaction.

Regulation. Futures exchanges in the United States and the trading conducted thereon are subject to regulation under the Commodity Exchange Act, as amended (the "Act"), by the CFTC. The Advisor is registered with and subject to regulation by the CFTC as a commodity trading advisor. Registration with the CFTC is not, and must not be considered as any indication of CFTC approval. The NFA is the self-regulatory body of the United States futures industry, of which the Advisor is a member. The NFA has responsibility for processing the registrations of commodity trading advisors and their associated persons, as well as most other CFTC registered persons.

Margins. Margin is the amount of funds that must be deposited by a trader with his or her commodity broker to secure the obligation either to make or accept delivery under a futures contract or to make an offsetting sale or purchase. Because futures contracts are customarily bought and sold on margins which range upward from less than two percent of the purchase price of the contract, price fluctuations occurring in commodity futures markets may create profits and losses that are greater than are customary in other forms of investment. The margin deposit required of an account will be reduced or increased daily as a consequence of fluctuations in the market price of the open contracts held for the account, and additional deposits may become necessary as a consequence of adverse market movements. Exchanges impose, and may at any time increase, minimum margin requirements, and brokers may, in their discretion, further increase the amount of margin required from any account.

Foreign Exchanges. Trading on exchanges outside the United States is not regulated by any United States governmental agency and may involve certain risks not

applicable to trading on United States exchanges. For example, some foreign exchanges, in contrast to United States exchanges, are "principal's markets" in which performance is the responsibility only of the individual member with whom the trader has entered into a futures contract and not of an exchange or clearing corporation. Moreover, such trading may be subject to whatever regulatory provisions are applicable to transactions effected outside the United States, whether on foreign exchanges or otherwise. Trading on foreign exchanges involves the additional risks of expropriation, burdensome or confiscatory taxation, moratoriums, and investment controls or political or diplomatic events which might adversely affect the Advisor's trading activities. Trading on foreign exchanges is also subject to the risk of changes in the exchange rate between United States Dollars and the currencies in which contracts on such exchanges are settled.

Although the CFTC is prohibited by statute from promulgating rules which govern in any respect any rule, contract term or action of any foreign commodity exchange, the CFTC has full authority to regulate the sale of foreign futures contracts within the United States and has adopted regulations on this matter, effective as of February 1, 1988. These regulations may restrict the clients for whom or with whom the Advisor may trade or the markets which the Advisor may trade.

The foregoing is not a complete summary of the complex and highly various futures and options markets. Each client should familiarize himself or herself with the futures and options markets, carefully read the Risk Disclosure Statement in the front of this Disclosure Document and the following description of certain of the risks connected with futures and options trading before opening an account.

#### **10. NOTIONALLY FUNDED ACCOUNTS DISCLOSURE**

You should request your commodity trading advisor to advise you of the amount of cash or other assets (Actual Funds) which should be deposited to the advisor's trading program for your account to be considered "Fully-Funded." This is the amount upon which the commodity trading advisor will determine the number of contracts traded in your account and should be an amount sufficient to make it unlikely that any further cash deposits would be required from you over the course of your participation in one of the commodity trading advisor's programs. You are reminded that the account size you have agreed to in writing (the "nominal" or "notional" account size) is not the maximum possible loss that your account may experience. You should consult the account statements received from your futures commission merchant in order to determine the actual activity in your account, including profits, losses and current cash equity balance. To the extent that the equity in your account is at any time less than the nominal account size you should be aware of the following:

- (1) Although your gains and losses, fees and commissions measured in dollars will be the same, they will be greater when expressed as a percentage of account equity;
- (2) you may receive more frequent and larger margin calls; and

(3) the conversion chart below may be used to convert actual rates of return (“RORs”) to the corresponding RORs for particular funding levels.

Rate of Return	100% funded	75% funded	50% funded	25% funded
-20%	-20%	-30%	-40%	-80%
-10%	-10%	-15%	-20%	-40%
-5%	-5%	-7.5%	-10%	-20%
0%	0%	0%	0%	0%
5%	5%	7.5%	10%	20%
10%	10%	15%	20%	40%
20%	20%	30%	40%	80%

Note that net profits and losses will affect the nominal account size and additions and withdrawals will not affect the nominal account size.

Additions or withdrawals will materially affect RORs of notionally funded accounts. This is because the Advisor will continue to trade the account at the agreed trading level without taking into consideration additions or withdrawals, and thus any additions or withdrawals of actual funds will not result in a corresponding proportional increase or decrease in the nominal funding of an account. For example, assume that a Client opens an account with an actual funding level of \$100,000, and instructs the Advisor to trade the account at a nominal level of \$200,000. If the Client withdraws \$50,000 of actual funds from the account, the Advisor will continue to trade the account at a nominal level of \$200,000. Before the withdrawal, the account would be traded at a 50% funding level, but after the withdrawal the account would be traded at a 25% funding level. If the trading program were to experience a -5% rate of return, then if that performance occurred before the withdrawal the actual performance would be -10% return but if that performance occurred after the withdrawal the actual performance would be -20%.

It is not anticipated that changes in account equity attributable to trading profits and losses will materially affect RORs of notionally funded accounts. This is because any trading profits and losses in actual funds will result in a corresponding proportional increase or decrease in the nominal funding of an account. For example, assuming that a Client opens an account with an actual funding level of \$100,000 and instructs the Advisor to trade the account at a nominal level of \$200,000, if a Client’s account achieves actual trading profits of \$100,000 resulting in an actual funding level of \$200,000, the Advisor will trade the account at nominal level of \$400,000. Further, if Client’s account sustains actual trading losses of \$50,000 resulting in an actual funding level of \$50,000, the Advisor will trade the account at nominal level of \$100,000. However, the RORs experienced by the account would be the same following the losses because the proportion of actual to notional funding will remain the same.

Please note that the increased leverage resulting from notional funding may lead

to more frequent and larger margin calls in the event of a draw-down in an account.

## **11. PERFORMANCE INFORMATION**

The performance of accounts directed by the Advisor is set forth on pages 16 and 17. The performance set forth on page 16 is for accounts traded pursuant to the GT Dynamic Trading Program. The performance set forth on page 17 is for accounts traded pursuant to the GT Dynamic Day Trading Program.

In addition, Mr. Teitelbaum has traded certain proprietary accounts pursuant to GT Dynamic Trading Program described in this Disclosure Document. The performance of these accounts is set forth on page 19. Please note that this performance has been pro forma adjusted to account for the maximum management and incentive fees charged by GT Capital.

**PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS**  
**TRADING PERFORMANCE INFORMATION OF**  
**GT Capital CTA**  
**GT Dynamic Trading Program**  
**Capsule Performance Summary**  
**Period 6/1/09 to 10/31/11**

Name of CTA	GT Capital CTA
Trading Program	GT Dynamic Trading Program
Inception of Trading Pursuant to This Program	June, 2009
Inception of Trading	June, 2009
Nominal Funding Level of All Accounts	\$17,068,000
Actual Funding Level of All Accounts	\$10,338,000
Nominal Funding Level of Accounts in this Program	\$13,366,000
Actual Funding Level of Accounts in this Program	\$8,771,000
Number Profitable Accounts that have opened and closed since June 1, 2009 and Performance Range	27, 0.36% to 16.04%
Number Unprofitable Accounts that have opened and closed since June 1, 2009 and Performance Range	9, -0.72% to -12.15%
No. of open Accounts traded pursuant to this Program	45
Worst monthly draw-down	-8.69%, April 2011
Worst peak-to-valley draw-down	-11.79%, Sept. 2010 - Feb. 2011

**MONTHLY AND ANNUAL RATES OF RETURN**

Month	2011	2010	2009
January	1.26%	1.67%	
February	-6.61%	2.13%	
March	11.70%	-4.57%	
April	-8.69%	-3.09%	
May	18.18%	5.92%	
June	2.39%	2.48%	2.32%
July	-0.55%	1.04%	0.81%
August	1.58%	-0.04%	1.62%
September	2.96%	1.29%	4.29%
October	2.85%	-4.74%	0.52%
November		-3.02%	3.44%
December		0.97%	1.51%
Annual Rate of Return	24.86%	-0.53%	15.38%

**PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS**  
**TRADING PERFORMANCE INFORMATION OF**  
**GT Capital CTA**  
**GT Dynamic Day Trading Program**  
**Capsule Performance Summary**  
**Period 11/1/09 to 10/31/11**

Name of CTA	GT Capital CTA
Trading Program	GT Dynamic Day Trading Program
Inception of Trading Pursuant to This Program	November, 2009
Inception of Trading	June, 2009
Nominal Funding Level of All Accounts	\$17,068,000
Actual Funding Level of All Accounts	\$10,338,000
Nominal Funding Level of Accounts in this Program	\$3,702,000
Actual Funding Level of Accounts in this Program	\$1,567,000
Number Profitable Accounts that have opened and closed since November 1, 2009 and Performance Range	8, 0.02% to 2.70%
Number Unprofitable Accounts that have opened and closed since November 1, 2009 and Performance Range	69, -0.12% to -8.15%
No. of open Accounts traded pursuant to this Program	18
Worst monthly draw-down	-2.99%, October 2010
Worst peak-to-valley draw-down	-9.31%, Sept. 2010 – Aug. 2011

**MONTHLY AND ANNUAL RATES OF RETURN**

Month	2011	2010	2009
January	0.39%	-0.34%	
February	0.31%	-0.83%	
March	-0.58%	1.30%	
April	-2.45%	-0.94%	
May	-0.47%	-0.93%	
June	-0.65%	2.29%	
July	0.19%	0.14%	
August	-2.58%	1.54%	
September	2.20%	0.35%	
October	0.16%	-2.99%	
November		-0.73%	0.25%
December		-0.09%	1.39%
Annual Rate of Return	-3.51%	-1.33%	1.64%

## Notes to Capsules

Worst Monthly Draw-Down is defined as losses experienced by a pool or trading program over a specified period.

Worst Peak-to-Valley Draw-Down is defined as the greatest cumulative percentage decline in month end net asset value due to losses sustained by a trading program during any period in which the initial month-end net asset value is not equaled or exceeded by a subsequent month-end asset value.

Annual Rate of Return represents the compounded rate of return for each year or portion of the year presented. It is computed by applying successively the respective Monthly Rate of Return beginning with the first month of that year. The calculation assumes a continuous investment throughout the period.

Nominal Assets are actual funds plus notional funds. Nominal Assets are the amount of funds the Trading Advisor uses to determine the level of trading.

**PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS**  
**TRADING PERFORMANCE INFORMATION OF**  
**Guerman Teitelbaoum**  
**Supplemental Performance Information**  
**Pro Forma Proprietary Trading Performance**  
**Capsule Performance Summary**  
**Period 1/1/06 to 10/31/11**

Name of Trader	Guerman Teitelbaoum
Trading Program	Proprietary Trading Program
Inception of Trading Pursuant to This Program	April, 2003
Inception of Trading	April, 2003
Nominal Funding Level of All Accounts	\$164,019
Actual Funding Level of All Accounts	\$164,019
Nominal Funding Level of Accounts in this Program	\$164,019
Actual Funding Level of Accounts in this Program	\$164,019
Number Profitable Accounts that have opened and closed since April 1, 2003 and Performance Range	5, 4.27% to 396.15%
Number Unprofitable Accounts that have opened and closed since April 1, 2003 and Performance Range	0, n/a
No. of open Accounts traded pursuant to this Program	1
Worst monthly draw-down	-22.38% April, 2006
Worst peak-to-valley draw-down	-29.49% Oct. 2005 - July, 2006

**MONTHLY AND ANNUAL RATES OF RETURN**

Month	2011	2010	2009	2008	2007	2006
January	0.74%	1.24%	6.09%	4.84%	10.66%	-8.20%
February	-4.69%	1.83%	1.95%	0.44%	3.12%	2.40%
March	7.28%	-5.80%	4.15%	1.93%	2.33%	0.61%
April	-9.14%	-1.51%	2.05%	4.36%	5.01%	-22.38%
May	17.57%	6.78%	0.39%	2.55%	2.14%	-0.08%
June	2.08%	2.07%	2.06%	2.75%	1.20%	-0.19%
July	-1.19%	0.83%	0.19%	0.82%	4.23%	-0.19%
August	6.70%	-0.56%	1.10%	0.84%	2.95%	16.22%
September	2.39%	1.13%	2.75%	6.58%	-0.71%	-1.58%
October	2.61%	-4.74%	0.57%	15.36%	6.55%	6.59%
November		-3.20%	1.41%	15.02%	2.19%	7.84%
December		0.60%	1.09%	-4.61%	0.04%	1.12%
Annual Rate of Return	24.41%	-1.94%	26.38%	61.88%	47.11%	-2.83%

## Notes to Capsule

Worst Monthly Draw-Down is defined as losses experienced by a pool or trading program over a specified period.

Worst Peak-to-Valley Draw-Down is defined as the greatest cumulative percentage decline in month end net asset value due to losses sustained by a trading program during any period in which the initial month-end net asset value is not equaled or exceeded by a subsequent month-end asset value.

Annual Rate of Return represents the compounded rate of return for each year or portion of the year presented. It is computed by applying successively the respective Monthly Rate of Return beginning with the first month of that year. The calculation assumes a continuous investment throughout the period.

Nominal Assets are actual funds plus notional funds. Nominal Assets are the amount of funds the Trading Advisor uses to determine the level of trading.

Monthly returns include a deduction for a 33% pro-forma incentive fee based upon net new profits.

Monthly returns include a deduction for a 2% annual (1/6% per month) pro-forma management fee based upon ending net asset value.

Pro-forma adjustments were made to demonstrate the rates of return that would have been achieved if the Advisor's maximum current fee structure was in effect.

**Continue to the next page**

# EDWARD THOMAS TRADING COMPANY

## GT Capital

### BREAK-EVEN ANALYSIS

#### PLEASE READ CAREFULLY

Please note that the charge of a front-end fee must be recovered, along with the commissions and CTA fees, in order for your account to be profitable. The following presents a two-year break-even analysis assuming the highest amount of fees that can be charged your account.

	<u>Year 1</u>	<u>Year 2</u>
Initial Investment	\$100,001	\$100,001
Up-Front Fee	\$ 4,000(1)	\$ 0
Management Fee	\$ 1,000(2)	\$ 1,000(2)
Commissions	\$ 2,400(3)	\$ 2,400(3)
Incentive Fee	\$ 1,000(4)	\$ 0(5)
Accounting Fee	\$ 240(6)	\$ 240(6)
Amount of Income to		
Break-even	\$ 8,640	\$ 3,640
Break-even %	8.64%	3.64%

Please be apprised that these calculations include an estimation of the round-turn commission on an annual basis. This amount of the above fees could differ but will not have a material effect on the break-even percentage.

- (1) Based upon an up-front fee of 4% charged by Edward Thomas Trading.
- (2) Based on Management fee of 1%.
- (3) Commissions charged by Edward Thomas Trading based on \$25 per round-turn multiplied by the average number of round-turns placed by the CTA, average of 8 round-turns per month.
- (4) Based on an incentive fee of 20% of net new profit.
- (5) No incentive fees are shown, as they will be charged only after taking into account all expenses.
- (6) Accounting Fee of \$20 charged by Vision monthly.

The above expenses will be shown, when applicable, on your trading statements.

# EDWARD THOMAS TRADING COMPANY

## GT Capital

### BREAK-EVEN ANALYSIS

#### PLEASE READ CAREFULLY

Please note that the charge of a front-end fee must be recovered, along with the commissions and CTA fees, in order for your account to be profitable. The following presents a two-year break-even analysis assuming the highest amount of fees that can be charged your account.

	<u>Year 1</u>	<u>Year 2</u>
Initial Investment	\$50,001	\$50,001
Up-Front Fee	\$ 3,000(1)	\$ 0
Management Fee	\$ 500(2)	\$ 500(2)
Commissions	\$ 1,500(3)	\$ 1,500(3)
Incentive Fee	\$ 750(4)	\$ 0(5)
Accounting Fee	\$ 240(6)	\$ 240(6)
Amount of Income to		
Break-even	\$ 5,990	\$ 2,240
Break-even %	11.98%	4.48%

Please be apprised that these calculations include an estimation of the round-turn commission on an annual basis. This amount of the above fees could differ but will not have a material effect on the break-even percentage.

- (1) Based upon an up-front fee of 6% charged by Edward Thomas Trading.
- (2) Based on Management fee of 1%.
- (3) Commissions charged by Edward Thomas Trading based on \$25 per round-turn multiplied by the average number of round-turns placed by the CTA, average of 5 round-turns per month.
- (4) Based on an incentive fee of 20% of net new profit.
- (5) No incentive fees are shown, as they will be charged only after taking into account all expenses.
- (6) Accounting Fee of \$20 charged by Vision monthly.

The above expenses will be shown, when applicable, on your trading statements.