

**Kore Advisors LP  
Part 2A of Form ADV**

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This Brochure provides information about the qualifications and business practices of Kore Advisors LP (“Kore” or the “Firm”). If you have any questions about the contents of this Brochure, please contact the Chief Compliance Officer at (561) 737-1721. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Kore is a registered investment adviser. Registration of an investment adviser does not imply that Kore Advisors LP or any of our principals or employees possesses a particular level of skill or training in the investment advisory business or any other business.

Additional information about Kore is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Item 2: Material Changes**

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Since the last annual update dated March 2013:

Item 4: Advisory Business - was amended to reflect the Firm's registration as a commodity pool operator with the CFTC. The Firm's regulatory assets under management was updated as of December 31, 2013.

Item 5: Fees and Compensation – was amended to reflect calculation of certain fees for Client Accounts.

Additional information about Kore is also available via the SEC's web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's web site also provides information about any persons affiliated with Kore who are registered, or are required to be registered, as investment adviser representatives of Kore.

**Item 3: Table of Contents**

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Item 1: Cover Page .....	1
Item 2: Material Changes .....	2
Item 3: Table of Contents .....	3
Item 4: Advisory Business.....	4
Item 5: Fees and Compensation.....	4
Item 6: Performance-Based Fees and Side-By-Side Management .....	5
Item 7: Types of Clients .....	5
Item 8: Methods of Analysis, Investment Strategies and Risk of Loss .....	6
Item 9: Disciplinary Information .....	8
Item 10: Other Financial Industry Activities and Affiliations .....	8
Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	8
Item 12: Brokerage Practices.....	9
Item 13: Review of Accounts .....	10
Item 14: Client Referrals and Other Compensation.....	10
Item 15: Custody .....	11
Item 16: Investment Discretion .....	11
Item 17: Voting Client Securities .....	11
Item 18: Financial Information .....	11

**Item 4: Advisory Business**

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Kore Advisors LP, a Delaware limited partnership was founded in 2002 and registered with the SEC as an investment advisor in January 2012. Kore Management LLC, a Delaware limited liability company, is the General Partner of Kore. Kore is deemed to be beneficially controlled by Gary Kosinski, its Chief Investment Officer.

Kore is also registered with the Commodity Futures Trade Commission (“CFTC”) as a commodity pool operator. Gary Kosinski is currently registered with the CFTC as a principal and associated person of the Firm.

Kore provides investment management services on a discretionary basis to pooled investment vehicles (“Funds”), including, Kore Fixed Income Fund, Ltd, a Cayman Islands exempt company (“Master Fund”) and Kore Onshore Fixed Income Fund LP, a Delaware Limited Partnership (“Onshore Feeder Fund”). The Onshore Feeder Fund invests substantially all of its funds in the Master Fund. In addition to managing the Funds, Kore provides discretionary investment management services to Sunrise Partners Limited Partnership, a private investment fund (“SPLP”) through a managed account arrangement, and to an affiliated managed account (“Managed Account”). Collectively, the Funds, SPLP and the Managed Account are referred to herein as “Clients” or “Client Accounts”, when not described otherwise.

The Funds are managed in accordance with each Fund’s investment objectives, strategies, and restrictions, which are set forth in more detail in the Fund’s relevant governing documents.

SPLP is a managed account relationship governed by a management agreement which sets forth certain guidelines or restrictions related to our investment activities, which may be modified from time-to-time in consultation with SPLP’s general partner and may or may not have the same investment strategy applied to the Funds. The general partner of SPLP may, in certain situations, impose restrictions on our ability to invest in certain securities or types of securities. We have limited trading authority with respect to SPLP. In this regard, we: (i) do not have custody of SPLP’s assets, (ii) cannot determine the final value of SPLP’s positions, (iii) cannot move SPLP’s cash or securities, and (iv) cannot enter into any other agreements on behalf of SPLP.

As of December 31, 2013, Kore had approximately \$ 1,057,515,000 of regulatory assets under management on a discretionary basis.

**Item 5: Fees and Compensation**

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The Funds are generally charged fees consisting of: (i) a management fee and (ii) a performance fee which is calculated based upon a percentage of the net capital appreciation of the Funds at the end of each fiscal year.

Kore’s current fee schedule is generally as follows:

Management Fee: 2% annually (0.167% monthly)

Performance Fee: 20% annually (subject to a hurdle rate), as described below

The management fee is accrued monthly and paid quarterly in arrears and is prorated for partial periods. Kore’s fees are exclusive of brokerage commissions, transaction fees,

custodial fees and other administrative costs and expenses which shall be incurred by the Funds.

Although fees generally are not subject to negotiation, Kore reserves the right to waive or impose different fees or otherwise modify the fee arrangements for an existing investor in the Funds with the consent of such investor.

The management fee for SPLP is negotiated annually and is based on an operating expense budget agreed to between us and the general partner of SPLP. The negotiated management fee is periodically paid by SPLP in advance. Once paid, the negotiated management fee is non-refundable.

We may also be entitled to receive performance-based compensation from SPLP based on our net trading profits at the end of each fiscal year. SPLP's administrator is responsible for calculating, and its general partner approves payment of, such performance-based compensation.

#### **Item 6: Performance-Based Fees and Side-By-Side Management**

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As described in Item 5, Kore charges a performance fee based on a share of appreciation of the Funds' assets. Any Client Account that pays a performance fee must be a "Qualified Client" as set forth in Rule 205-3 of the Investment Advisers Act of 1940 (the "Advisers Act"). In calculating the performance fee for the Funds, Kore includes realized and unrealized capital gains and losses.

Generally, at the end of each year, we charge an aggregate amount equal to 20% of the new net profits, subject to "high water mark" and "hurdle rate." The "high water mark" feature prevents Kore from receiving a performance fee for profits that simply restore previous losses and is intended to insure that each performance fee is based on the long-term performance of an investment in the Funds. In addition, if the rate of return of new profit (after all fees and expenses) earned by the Fund is less than the hurdle rate (which is the average U.S. Federal Funds rate for such year as reported in the *Wall Street Journal*) for such year, then we will not receive a performance fee from such Client.

A performance based fee arrangement may create an incentive for Kore to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. Such fee arrangements also create an incentive to favor higher fee paying accounts over other accounts in the allocation of investment opportunities.

In the case of SPLP, because SPLP's general partner provides risk management services to SPLP, we believe that any conflict with regard to performance-based management is mitigated. Since we do not have authority to determine the final value of SPLP's positions, several conflicts associated with valuation are mitigated.

#### **Item 7: Types of Clients**

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As discussed in the Item 4, Kore provides investment management services to pooled investment vehicles, a private investment fund and an affiliated managed account. The investors in the Funds must meet both the requirements for an "accredited investor" under the

Securities Act of 1933, as amended (the “1933 Act”) and a “qualified purchaser” under the Investment Company Act of 1940, as amended (the “Investment Company Act”).

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

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### ***Methods of Analysis and Investment Strategy***

Kore employs a multi-strategy trading and investing approach. Kore’s investment strategy is to achieve capital appreciation with minimum volatility and preservation of capital primarily through leveraged trading in G-10 government, agency, corporate, asset-backed and other fixed income securities, currencies and related derivatives markets, equities and alternative investments.

Kore attempts to quantify and limit downside risk of our investment strategies, including credit risk, currency risk, convexity risk, interest rate risk, concentration risk, liquidity risk, financing risk and volatility. We employ a proprietary risk metric to monitor risk which takes into account fundamental analysis and statistical analysis – such as VAR measures, historic worst move analysis and stress-test/scenario analysis, as well as reasoned judgment.

Investments may be leveraged and the amount of leverage that may be used on a particular trade will vary depending on the strategy and availability of leverage. There is however no internal limit on the amount of leverage that we may employ. We may, among other things, borrow funds from banks and other lenders, utilize futures, forwards, swaps and other derivatives to acquire leverage, finance investments through repurchase and reverse repurchase agreements, total return swaps and options and trade securities and derivatives on margin.

The investment strategy for SPLP may vary from the investment strategy of Kore’s other Client Accounts and is decided in consultation with the general partner of SPLP. The general partner of SPLP controls the amount of direct leverage that may be employed on SPLP’s behalf and, in its discretion, may reduce or eliminate the use of such leverage. Nonetheless, certain of the investments in SPLP may expose it to embedded leverage.

### ***Risk of Loss Factors***

The investments we manage on behalf of our Clients entail a certain degree of risk. Although we strive to manage risk in accordance with our investment strategies, we can provide no guarantee that our efforts will be successful. Because we utilize a similar investment strategy in managing both the Funds and Managed Account, prospective clients are advised to review the offering documents relating to the Funds for a more extensive description of the risks. Prospective clients may request additional details relating to such risks from Kore. Set forth below is a non-exhaustive list of certain risk factors:

#### ***Operational Risk***

Our strategies are highly dependent on information systems and technology. Any failure or deterioration of these systems or technology due to human error, data transmission failures or other causes could materially disrupt our operations. A disaster or a disruption in the infrastructure that supports our business, including a disruption involving electronic communications or other services that we, or that third parties we do business with, use or affecting one of our offices or facilities, may affect our ability to continue to operate our business without interruption. Although we and our affiliates have back-up facilities for our information systems as well as technology and business continuity programs in place, there

can be no assurance that these will be sufficient to mitigate the harm that may result from such a disaster or infrastructure disruption.

#### *Performance Based Fee*

A performance based fee arrangement may create an incentive for Kore to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. Such fee arrangements also create an incentive to favor higher fee paying accounts over other accounts in the allocation of investment opportunities.

#### *Illiquidity of certain Investments*

We may invest part of our Clients' assets in investments that either lack a readily assessable market value or should be held until the resolution of a special event or circumstance. However, we may not be able to readily dispose of such investments and, in some cases, may be contractually prohibited from disposing of such investments for a specified period of time. We may have difficulty selling illiquid securities and other investments, perhaps causing us to have difficulty in meeting redemptions of Investors.

#### *Use of Leverage*

We leverage investment positions by borrowing funds from securities broker-dealers, banks or others. While leverage presents opportunities for increasing the total return on an investment, it has the effect of potentially increasing losses as well. Accordingly, any event that adversely affects the value of an investment would likely be magnified to the extent that any of them are leveraged.

#### *Non-Diversification*

In general, we are not subject to limitations on the percentage of assets we may invest in a particular security. Being concentrated in a small number of securities, options or futures, exposes a portfolio to the risk of adverse developments in or affecting a single issuer or industry to a greater extent than if the investments were diversified over a large number of issuers and industries.

#### *Short Selling Increases Risk of Capital Losses*

We will affect short sales. Short selling, or the sale of securities not owned by the Client involves certain additional risks. Such transactions expose the Client to the risk of loss in an amount greater than the initial investment, and such losses can increase rapidly and without an effective limit. There is the risk that the securities borrowed in connection with a short sale would need to be returned to the securities lender on short notice. If such request for return of securities occurs at a time when other short sellers of the subject security are receiving similar requests, a "short squeeze" can occur, wherein we might be compelled, at the most disadvantageous time, to replace borrowed securities previously sold short with purchases on the open market, possibly at prices significantly in excess of the proceeds received earlier.

#### *Non-U.S. Investments*

Investment in non-U.S. issuers or securities principally traded outside the U.S. will likely involve certain special risks due to economic, political and legal developments, including favorable or unfavorable changes in currency exchange rates, exchange control regulations (including currency blockage), expropriation of assets or nationalization, imposition of withholding taxes on dividend or interest payments, and possible difficulty in obtaining and

enforcing judgments against non-U.S. entities. Furthermore, issuers of non-U.S. securities are subject to different, often less comprehensive accounting reporting and disclosure requirements than domestic issuers. The securities of some foreign governments and companies and foreign securities markets are less liquid and at times more volatile than comparable U.S. securities and securities markets.

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**Item 9: Disciplinary Information**

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We have not been subject to any disciplinary action, whether criminal, civil or administrative (including regulatory) in any jurisdiction. Likewise, no persons involved in the management of the Firm have been subject to any such action.

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

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Kore is currently registered as a commodity pool operator with the CFTC. Kore and its employees do not have any relationships or arrangements with other financial services companies that pose material conflicts of interest.

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

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Kore recognizes and believes that: (i) high ethical standards are essential for its success and to maintain the confidence of its Clients; (ii) its long term business interests are best served by adherence to the principle that the interests of its Clients come first; and (iii) it has a fiduciary duty to its Clients to act for their benefit. Kore has adopted a Code of Ethics (“Code”) and Employee Investment Policy (“EIP”) which require that all Kore personnel must put the interests of Clients before their own personal interests and must act honestly and fairly in all respects in dealing with Clients.

***Code of Ethics and Personal Trading***

Kore’s Code and EIP establish various procedures with respect to investment transactions in accounts in which employees or related persons have a beneficial interest or accounts over which an employee has investment discretion. Among other requirements, employees (and members of their immediate households) must obtain written pre-approval from the CCO for certain personal trades and must report their personal securities transactions and holdings. Employees must also obtain pre-approval from the CCO before engaging in any outside business activities or private securities transactions. Employees are required to provide the Firm with duplicate copies of account statements for all covered investment accounts.

Kore’s Code and EIP are available to Clients and qualified prospective investors upon request.

***Participation or Interest in Client Transactions***

Employees and affiliates of the Firm may hold, either directly or through the Funds’ general partner, financial interests in the Funds. Additionally, it is possible that Kore employees may personally invest in some of the same investments that are held in Client Accounts, or may own investments that are subsequently purchased for Client Accounts, although this practice is generally discouraged by the Code and the Firm’s personal trading policy. In any case, such transactions are required to be pre-approved in order to evaluate any issues resulting from the employee’s proposed ownership. Kore may or may not receive any compensation from such



investments from employees. Employees and/or affiliates of Kore may invest in the Funds. To the extent that they do so, they are deemed to have a direct interest in the success of the Fund's investment strategy

## **Item 12: Brokerage Practices**

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### ***Best Execution***

We have a fiduciary duty to use reasonable efforts to obtain best execution of securities transactions for our Client Accounts. This means that in selecting broker-dealers to execute transactions, we must attempt to ensure that the total cost or proceeds of any transaction is the most favorable under the circumstances. However, we do not need to necessarily solicit competitive bids on each transaction and may not have an obligation to seek the lowest possible cost. In determining best execution, we may take into account the full range and quality of a broker-dealer's services. The factors to be considered in selecting and approving broker-dealers include, but are not limited to, overall costs of a trade (*i.e.*, net price paid or received); quality of execution; reputation, financial strength and stability; block trading and block positioning capabilities; willingness and ability to commit capital; access to underwritten offerings and secondary markets; ongoing reliability; and confidentiality of trading activity.

The use of a broker can provide anonymity in connection with a transaction. In addition, a broker may, in certain cases, have greater expertise or greater capability in connection with both accessing the market and executing a transaction. Subject to the considerations described above, the selection of a broker (including a prime broker) to execute transactions, provide financing and securities on loan, hold cash and short balances and provide other services may be influenced by, among other things, the provision by the broker of the following: consulting with respect to technology, operations and equipment, commitment of capital, access to company management and access to deal flow. Generally, Kore does not separately compensate any broker for any of these services.

In the case of SPLP, the general partner of SPLP provides us with a list of approved counterparties from which we select counterparties to execute transactions for SPLP. To the extent that we wish to use a counterparty for SPLP that is not included on such list, such counterparty must be reviewed and approved by the general partner.

We periodically review our relationships with broker-dealers and the effectiveness of our efforts to obtain best price and execution.

### ***Trade Aggregation***

Kore will generally execute Client transactions on an aggregated or batch basis when it believes that aggregation will enable it to negotiate more favourable commission rates or other transaction costs. If aggregation of trading is not utilized or available in such situations, we are required to disclose to Clients that it will not aggregate transactions and the fact that Clients may pay higher commissions or mark-ups as a result.

To obtain best execution, we usually make a single purchase and then allocate the purchased securities among Client Accounts.

***Modification of Pro Rata Allocations***

We attempt to allocate trades on a *pro rata* basis, but must consider several factors listed below for each Client prior to making a trade. In analyzing these factors, there are certain situations when trades may not be allocated on a *pro rata* basis.

- Availability of capital
- Strategy mandate
- Specific Client Account needs
- Portfolio rebalancing or need to bring a Client Account to desired exposure level
- Risk tolerance
- Trade size
- Counterparty considerations

***Soft Dollars***

While Kore currently has no soft dollar arrangements, it may use “soft dollars” generated through brokerage transactions for research, brokerage and research-related products and services. Such use would fall within the safe harbor provided under Section 28(e) of the Securities Exchange Act of 1934, as amended.

**Item 13: Review of Accounts**

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Kore’s Chief Investment Officer and Portfolio Managers are primarily responsible for ensuring that the securities and other financial instruments held by each Client are consistent with the Client Account’s investment objectives and investment advisory agreement. Kore’s Chief Investment Officer and Portfolio Managers engage in active management of our Client Accounts and review transactions and Client accounts on an ongoing basis.

Fund investors will receive annual audited financial statements for the Fund(s) in which they are invested within 120 days of such Fund’s fiscal year end. Fund investors also receive unaudited performance information on a monthly basis.

In the case of SPLP, the general partner of SPLP has full transparency, including with respect to our trading activity. It reviews our trading activity on a regular basis and discusses such activity with us as needed.

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

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We do not currently utilize any third party marketers or solicitors.

**Item 15: Custody**

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As a result of Mr. Kosinski's control of the general partner of the Onshore Feeder Fund and his influence over the management of the Master Fund, the Firm is deemed to have custody of the assets in the Funds under Rule 206(4)-2 of the Advisers Act. In compliance with such rule, we assure that the assets of the Funds are held at qualified custodians, as defined in the rule, and that investors in the Funds receive audited financial statements within 120 days of the end of the Fund's fiscal year. We do not have or accept custody of the Managed Account assets.

We do not provide custodial services to our Clients, the Funds or the Investors in the Funds. Client and Investor assets are held with broker-dealers or banks that are deemed qualified custodians.

We do not have custody over SPLP's assets.

**Item 16: Investment Discretion**

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We generally have discretionary authority to determine, without obtaining specific Client consent, securities to be bought or sold, the amount of securities to be bought or sold, broker-dealer to be used and the commission rates paid. Any limitation on authority is included in the relevant investment management agreement, or governing documents, as applicable. For SPLP, these limitations are described in Item 4.

**Item 17: Voting Client Securities**

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While we infrequently receive proxies to vote due to the nature of the investment instruments that we typically trade, we have established proxy voting policies and procedures designed to ensure that proxies are voted in the best interest of our Clients. We will analyze proxies on a case-by-case basis. We do not solicit or accept voting recommendations from our Clients. Clients and investors may request a copy of our proxy voting policies and procedures, as well as applicable proxy voting records.

**Item 18: Financial Information**

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We are not required to provide a balance sheet in response to this item and are not subject to any financial condition that is reasonably likely to impair our ability to meet our financial obligations to our Clients.