



# Winrise Capital Inc

## FORM ADV PART 2A

This brochure provides information about the qualifications and business practices of Winrise Capital Inc. If you have any questions about the contents of this brochure, please contact us at: +86 13121486065 or [winrisecapital@gmail.com](mailto:winrisecapital@gmail.com).

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission, or by any state securities authority.

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## **Item 2 - Material Changes:**

This is the first submission of Form ADV Part 2A by Winrise Capital Inc, registered with the SEC as a Non-Resident Investment Adviser. Future updates will include a summary of material changes from the last annual update.

## **Item 3 - Advisory Business**

Winrise Capital Inc (“Winrise” or “We”) is an investment adviser registered with the SEC. Winrise acts as a fiduciary, meaning we put our clients’ interests before our own. We are a newly established firm dedicated to providing top-tier financial advisory services.

We offer a range of services including:

- Financial planning services
- Portfolio management for individuals and/or small businesses
- Portfolio management for businesses (other than small businesses) or institutional clients (other than registered investment companies and other pooled investment vehicles)
- Security ratings or pricing services
- Educational seminars/workshops

Our specialty lies in combining quantitative analysis methods with traditional fundamental analysis. We also tailor our strategies based on our clients' preferences. We respect and understand each client’s perspective, aiming to provide the best possible service to our clients.

Winrise Capital Inc does not currently provide investment advice to U.S. clients or U.S. investors (i.e., clients or investors residing in the U.S.). However, we may explore opportunities to expand our services to U.S. clients in the future. At this time, we are registered as a Non-Resident Investment Adviser under the Investment Advisers Act of 1940, as we provide investment advice to non-U.S. clients regarding U.S. securities. While we do not currently manage U.S. regulatory assets, our activities include offering advice on securities that are subject to U.S. regulation. We ensure compliance with applicable U.S. legal requirements to maintain the highest standards of service.

## **Item 4 - Fees and Compensation**

Winrise Capital Inc charges an account management fee ranging from 1% to 2% of assets under management **annually**, depending on the size of the client's portfolio. If clients require additional services, we also charge fees for financial planning on an hourly basis.

Clients are billed as follows:

- **Account Management Fee:** 1%-2% of assets under management, billed quarterly in arrears.
- **Financial Planning Fee:** Hourly rate, billed upon completion of the service or as agreed upon with the client.

- **Performance-Based Fees for qualified clients:**
  - No fee on the first 8% of returns.
  - 20% fee on returns between 8% and 15%.
  - 30% fee on returns between 15% and 20%.
  - 35% fee on returns above 20%.

## **Item 5 - Performance-Based Fees and Side-by-Side Management**

Winrise Capital Inc offers performance-based fee arrangements for certain qualified clients. In these instances, the fee will be based on account performance instead of, or in addition to, a percentage of assets under management. For any particular measurement period, the performance-based fee may be higher or lower than our standard fee schedule. Specific arrangements are subject to the approval of senior management and are based on a variety of factors.

The performance-based fee structure is as follows:

- No fee on the first 8% of returns.
- 20% fee on returns between 8% and 15%.
- 30% fee on returns between 15% and 20%.
- 35% fee on returns above 20%.

The variability inherent in the various fee structures can present potential conflicts of interest. For example, Winrise Capital Inc may have an incentive to choose investments that are riskier or more speculative than might otherwise be chosen or to favor a client that pays performance-based fees over a client that pays fees as a percentage of assets under management. We manage these and other conflicts associated with side-by-side management of client accounts through internal review processes and oversight. While the procedures used to manage these conflicts differ depending upon the specific risks presented, all are designed to guard against intentionally favoring one account over another.

### **Side-by-Side Management**

Winrise Capital Inc manages accounts on a side-by-side basis, which means we may manage accounts that are charged performance-based fees alongside accounts that are charged asset-based fees or other types of fees. This side-by-side management can create potential conflicts of interest. For example, we might have an incentive to allocate more favorable investments to accounts with performance-based fees because they have the potential to generate higher compensation for us.

To address and mitigate these potential conflicts, we implement the following procedures:

**Internal Review Processes:**

- We conduct regular internal reviews of all client accounts to ensure that investment opportunities are allocated fairly and equitably among accounts. These reviews are designed to prevent any intentional favoritism or bias toward any specific account.

**Oversight:**

- Our senior management team oversees the activities of our portfolio managers and investment advisors. This oversight includes monitoring trading activity, reviewing performance reports, and ensuring adherence to our internal policies and procedures.

**Risk Management Procedures:**

- We employ comprehensive risk management procedures to evaluate and manage the risks associated with different investment strategies and account types. This includes regular assessments of market conditions, investment performance, and the alignment of investment strategies with each client's objectives and risk tolerance.

**Conflict Resolution:**

- In the event of a perceived or actual conflict of interest, we have established procedures for conflict resolution. This includes re-evaluating the allocation of investment opportunities, making necessary adjustments, and ensuring that all clients are treated fairly and in accordance with their best interests.

**Tailored Strategies:**

- We develop customized investment strategies tailored to the unique needs and circumstances of each client. By understanding and respecting each client's goals and preferences, we ensure that our investment approach is aligned with their specific situation, thereby providing more suitable and effective solutions.

**Transparency and Communication:**

- We maintain transparent communication with our clients regarding our fee structures, investment strategies, and any potential conflicts of interest. We make prompt required disclosure and provide clients with detailed reports and are available to discuss any concerns they may have about their accounts.

By implementing these measures, Winrise Capital Inc strives to ensure that all client accounts are managed with the highest standards of fairness and integrity, regardless of the fee structure associated with each account. Additionally, our commitment to developing tailored strategies ensures that each client receives personalized and suitable investment solutions.

## Item 6 - Types of Clients

Winrise Capital Inc serves a diverse range of clients, including:

- **Individual Investors:** We provide personalized investment management and financial planning services to individual clients, helping them achieve their personal financial goals.
- **Businesses:** We offer tailored portfolio management services to businesses, addressing their unique investment needs and helping them manage their assets effectively.

Our commitment to understanding each client's specific circumstances allows us to deliver customized solutions that align with their financial objectives.

## Item 7 - Methods of Analysis, Investment Strategies, and Risk of Loss

### Methods of Analysis:

Winrise Capital Inc employs a combination of fundamental analysis and technical analysis to evaluate investment opportunities and manage client portfolios.

**Fundamental Analysis:** We analyze the financial health and performance of companies by examining various factors such as earnings, revenue, profit margins, and other financial metrics. This analysis includes reviewing financial statements, conducting industry comparisons, and evaluating economic conditions that may affect the company's performance.

**Technical Analysis:** We use technical analysis to study past market data, primarily price and volume, to forecast future price movements. This involves chart patterns, statistical indicators, and trading volume analysis. Technical analysis helps us identify trends and potential entry and exit points for investments.

**Quantitative Methods:** We incorporate statistical methods and quantitative techniques such as time series analysis, regression analysis, and other mathematical models to predict market trends and price movements. These methods enable us to process large volumes of data and extract meaningful insights that inform our investment decisions.

### Investment Strategies:

Our investment strategies are designed to meet the diverse needs of our clients and are customized based on their individual goals, risk tolerance, and investment horizon. Some of the key strategies we employ include:

- **Long-Term Growth:** Focused on investing in companies with strong growth potential and sound fundamentals. This strategy aims to achieve capital appreciation over the long term.

- **Income Generation:** Targeted at clients seeking regular income from their investments. This involves investing in dividend-paying stocks, bonds, and other income-generating assets.
- **Risk Management:** We implement risk management techniques such as diversification, asset allocation, and hedging strategies to mitigate potential losses and protect client portfolios.
- **Tactical Asset Allocation:** We adjust our asset allocation based on market conditions and economic outlook to capitalize on short-term opportunities and manage risks effectively.

## **Risk of Loss**

Below is a summary of the primary risks related to the significant investment strategies and methods of analysis used by Winrise Capital Inc. Investing in securities (as well as commodities, derivatives, investment contracts, and bank loans) involves risk of loss that clients should be prepared to bear; however, clients should be aware that not all of the risks listed below will apply to every investment strategy as certain risks may only apply to certain investment strategies or investments in different types of securities. Multiple factors contribute to investment risk for all investment strategies, and additional factors contribute to investment risk for specific strategies. The risks listed below are not intended to be a complete description or enumeration of the risks associated with the methods of analysis and investment strategies used by Winrise Capital Inc.

**Active Management Risk:** An account is subject to the risk that judgments about the attractiveness, value, or potential appreciation of the account's investments may prove to be incorrect. If the selection of securities or strategies fails to produce the intended results, the account could underperform other accounts with similar objectives and investment strategies.

**Artificial Intelligence Risk:** Artificial intelligence (AI) is a developing technology and its use has inherent risks and limitations, some of which may not yet be fully known. Known risks and limitations include: perpetuation or amplification of biases contained in data used to train AI models; loss of context or nuance contained in source data; and potential inaccuracies or inconsistencies in AI model outputs. Winrise Capital Inc mitigates these risks through human oversight to validate and verify the accuracy of AI-generated outputs and does not rely solely on AI technology for making investment decisions.

**Asset Allocation Risk:** An account's risks directly correspond to the risks of the asset classes in which it invests. Investing in multiple asset classes can facilitate diversification but also create exposure to the risks of many different areas of the market. The direct or indirect allocation of an account's assets among various asset classes and market sectors could cause the account to underperform other accounts with a similar investment objective.

**Credit Risk:** An account could lose money if the issuer or guarantor of a security, the counterparty to a derivatives contract, repurchase agreement, or a loan of portfolio securities, or the issuer or guarantor of collateral, is unable or unwilling to honor its obligations. The value of a debt instrument is likely to fall if an issuer or borrower

suffers an adverse change in financial condition resulting in a payment default, ratings downgrade, or inability to meet a financial obligation.

**Cyber Security Risk:** As the use of technology becomes more prevalent, accounts are potentially more susceptible to operational and other risks through breaches in cyber security. Cyber incidents can result from intentional and unintentional events aiming to misappropriate assets or sensitive information, corrupt data, or cause operational disruption. This could cause regulatory penalties, reputational damage, additional compliance costs, and financial loss.

**Derivatives Risk:** Derivatives are financial contracts where the value depends on, or is derived from, the value of an underlying asset, reference rate, or index. The use of derivatives involves risks such as increased volatility and potential losses due to leverage. Derivatives can be highly volatile, illiquid, and difficult to value. Additionally, the other party or counterparty to a derivatives contract might not fulfill its contractual obligations, posing a credit risk.

**Emerging Markets Risk:** The risks of foreign investing are heightened for securities of companies in emerging market countries. These securities are more susceptible to governmental interference, local taxes, restrictions on gaining access to sales proceeds, and less efficient trading markets, making them more volatile and less liquid than investments in developed markets.

**Foreign Investing Risk:** Investing in the securities of non-U.S. issuers involves special risks not typically associated with investing in U.S. issuers. Foreign securities may be more volatile and less liquid and may lose value due to adverse local, political, social, or economic developments. Changes in currency exchange rates can also affect the U.S. dollar value of foreign investments.

**Interest Rate Risk:** Interest rate risk is the risk that fixed-income securities will decline in value due to changes in interest rates. Bond prices generally move inversely to interest rates. Fixed-income securities with longer durations tend to be more sensitive to interest rate changes, usually making them more volatile.

**Liquidity Risk:** Liquidity risk exists when particular investments are difficult to purchase or sell. Less liquid investments may be difficult to value and can change prices abruptly. Illiquid investments may hinder the ability to sell the investment timely or at desired prices based on current market conditions.

**Market Risk:** The value of investments will fluctuate due to changes in market conditions, including economic downturns, political events, and changes in interest rates. Market risk is inherent in all types of investments.

**Operational Risk:** An account can suffer a loss arising from shortcomings or failures in internal or external processes, people or systems, or from external events. Operational risks can arise from factors such as processing errors, human errors, inadequate or failed processes, fraud, and system failures.

**Prepayment Risk and Extension Risk:** Debt instruments are subject to the risk of prepayment and/or extension. Prepayment risk is the risk that borrowers will refinance



their mortgages or other underlying assets before their maturity dates, leading to quicker repayment and potential reinvestment at lower interest rates. Extension risk is the risk that during rising interest rates, prepayments occur at a slower rate, lengthening the average life of the securities.

**Reinvestment Risk:** Payments from a debt obligation may not be reinvested at rates equal to or exceeding the interest rate of the original obligation. Reinvestment risk is more likely when market interest rates are declining.

**Risk of Cash Reserves Investing:** Investments in short-term investment funds (STIFs) or money market funds are not insured or guaranteed by the United States Federal Deposit Insurance Corporation (FDIC) or any other government agency. STIFs and money market funds may experience significant pressures from shareholder redemptions, issuer credit downgrades, and illiquid markets.

**Risks of Stock Investing:** Stocks generally fluctuate in value more than bonds and may decline significantly in price over short time periods. Stock prices may decline due to general market weakness or factors affecting a particular company or industry.

**Valuation Risk:** Valuing securities for which reliable market quotations are not available involves uncertainties and judgmental determinations. The values placed on such securities can differ from those of other investors, leading to potential discrepancies in portfolio valuation and performance reporting.

By understanding and managing these risks, Winrise Capital Inc aims to provide our clients with investment strategies that are aligned with their financial goals and risk tolerance.

## **Item 8 - Disciplinary Information**

Winrise Capital Inc and its key personnel have no disciplinary information to report.

## **Item 9 - Other Financial Industry Activities and Affiliations**

Winrise Capital Inc does not participate in any other financial industry activities and has no affiliations with other financial firms.

## **Item 10 - Code of Ethics, Participation or Interest in Client Transactions, and Personal Trading**

Winrise Capital Inc has implemented a Code of Ethics that defines our fiduciary commitment to each client. This Code of Ethics applies to all persons associated with Winrise Capital Inc. The Code of Ethics was developed to provide general ethical guidelines and specific instructions regarding our duties to you, our client. Winrise Capital Inc and its personnel owe a duty of loyalty, fairness, and good faith towards each client. It is the obligation of Winrise Capital Inc associates to adhere not only to the specific provisions of the Code but to the general principles that guide the Code. The Code of Ethics covers a range of topics that may include; general ethical principles, reporting personal securities trading, exceptions to reporting securities trading, reportable securities, initial public offerings and private placements, reporting

ethical violations, distribution of the Code of Ethics, review and enforcement processes, amendments to Form ADV, and supervisory procedures.

Winrise Capital Inc has written its Code of Ethics to meet and exceed regulatory standards. To request a copy of our Code of Ethics, please contact us at +86 13121486065.

### **Recommendations Involving Material Financial Interest**

Winrise Capital Inc and its associated persons may have material financial interests in issuers of securities that Winrise Capital Inc may recommend for purchase or sale by clients.

This presents a conflict of interest in that Winrise Capital Inc or its related persons may receive more compensation from investment in a security in which Winrise Capital Inc or a related person has a material financial interest than from other investments. Client approval will be sought for client investment in such recommendations and, if granted, such approval will be binding. Winrise Capital Inc always acts in the best interest of the client consistent with its fiduciary duties, and clients are not required to invest in such investments if they do not wish to do so.

### **Personal Trading and Conflicts of Interest**

Winrise Capital Inc allows our employees to purchase or sell the same securities that may be recommended to and purchased on behalf of clients. Owning the same securities we recommend (purchase or sell) to you presents a potential conflict of interest that, as fiduciaries, we must disclose to you and mitigate through policies and procedures. As noted above, we have adopted, consistent with Section 204A of the Investment Advisors Act of 1940, a Code of Ethics, which addresses insider trading (material non-public information controls) and personal securities reporting procedures.

The Chief Compliance Officer of Winrise Capital Inc reviews all employee trades each quarter. The personal trading reviews ensure that the personal trading of employees does not affect the markets and that clients of the firm receive preferential treatment. Since most employee trades are small mutual fund trades or exchange-traded fund trades, the trades do not affect the securities markets.

We have also adopted written policies and procedures to detect the misuse of material, non-public information. We may have an interest or position in certain securities, which may also be recommended to you.

At no time will Winrise Capital Inc or any associated person of Winrise Capital Inc transact in any security to the detriment of any client.

## **Item 11 - Brokerage Practices**

### **Recommendations of Brokerage Firms**

Winrise Capital Inc does not have discretionary authority to select the broker-dealer/custodian for custodial and execution services. The Client will select the broker-dealer or custodian (herein the "Custodian") to safeguard Client assets and authorize Winrise Capital Inc to direct trades to this Custodian as agreed in the Investment Advisory Agreement. Further, Winrise Capital Inc does not have the discretionary authority to negotiate commissions on behalf of our clients on a trade-by-trade basis. Where Winrise Capital Inc does not exercise discretion over the selection of the Custodian, it may recommend custodians to clients for execution and/or custodial services. Clients are not obligated to use the recommended Custodian and will not incur any extra fee or cost associated with using a broker not recommended by Winrise Capital Inc. We may recommend a Custodian based on criteria such as, but not limited to, reasonableness of commissions charged to the client, services made available to the client, and location of the Custodian's offices. Winrise Capital Inc does not receive research services, other products, or compensation as a result of recommending a particular broker that may result in the client paying higher commissions than those obtainable through other brokers.

Winrise Capital Inc typically recommends to clients that they establish their brokerage accounts at Interactive Brokers, LLC, which offers services to independent investment advisors, including custody of securities, trade execution, clearance, and settlement of transactions.

Winrise Capital Inc considers a number of factors in selecting and/or recommending brokers and custodians for its client's account, including, but not limited to, execution capability, experience and financial stability, reputation, and the quality of services provided. Winrise Capital Inc is not affiliated with or related to Interactive Brokers.

**Soft Dollars** – While Winrise Capital Inc has no formal soft dollar program in which soft dollars are used to pay for third-party services, we may receive research, products, or other services from our broker/dealer in connection with client securities transactions ("soft dollar benefits") consistent with (and not outside of) the safe harbor contained in Section 28(e) of the Securities Exchange Act of 1934, as amended, and may consider these benefits in recommending brokers. There can be no assurance that any particular client will benefit from any particular soft dollar research or other benefits. Winrise Capital Inc benefits by not having to produce or pay for the research, products, or services, and we will have an incentive to recommend a broker-dealer based on receiving research or services. Clients should be aware that Winrise Capital Inc's acceptance of soft dollar benefits may result in higher commissions charged to the client.

**Brokerage Referrals** – Winrise Capital Inc receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

**Directed Brokerage** – Winrise Capital Inc may permit clients to direct it to execute transactions through a specified broker-dealer. Clients must refer to their advisory agreements for a complete understanding of how they may be permitted to direct brokerage. If a client directs brokerage, the client will be required to acknowledge in writing that the client's direction with respect to

the use of brokers supersedes any authority granted to Winrise Capital Inc to select brokers; this direction may result in higher commissions, which may result in a disparity between free and directed accounts and trades for the client and other directed accounts may be executed after trades for free accounts, which may result in less favorable prices, particularly for illiquid securities or during volatile market conditions. Not all investment advisors allow their clients to direct brokerage.

Winrise Capital Inc reviews the execution of trades at each custodian each quarter. The review is documented in the Winrise Capital Inc Compliance Manual. Trading fees charged by the custodians are also reviewed on a quarterly basis. Winrise Capital Inc does not receive any portion of the trading fee.

### **Order Aggregation**

If Winrise Capital Inc buys or sells the same securities on behalf of more than one client, it might, but would be under no obligation to, aggregate or bunch, to the extent permitted by applicable law and regulations, the securities to be purchased or sold for multiple clients in order to seek more favorable prices, lower brokerage commissions, or more efficient execution. In such cases, Winrise Capital Inc would place an aggregate order with the broker on behalf of all such clients to ensure fairness for all clients; provided, however, that trades would be reviewed periodically to ensure that accounts are not systematically disadvantaged by this policy. Winrise Capital Inc would determine the appropriate number of shares to place with brokers and will select the appropriate brokers consistent with our duty to seek best execution, except for those accounts with specific brokerage direction (if any).

### **Item 12 - Review of Accounts**

Account reviews are performed quarterly by Yuzheng Yang, President of Winrise Capital Inc. Mr. Yang considers the client's current security positions and the likelihood that the performance of each security will contribute to the investment objectives of the client. Account reviews are performed more frequently when market conditions dictate.

Other conditions that may trigger a review include changes in tax laws, new investment information, and changes in a client's own situation.

Clients receive periodic communications on at least an annual basis. Advisory Service Agreement clients, Investment Management clients, and Retainer Agreement clients receive written quarterly updates. These written updates may include a net worth statement, portfolio statement, and a summary of objectives and progress towards meeting those objectives.

## **Item 13 - Client Referrals and Other Compensation**

### **Incoming Referrals**

Winrise Capital Inc may enter into referral agreements with third-party advisors under which the third-party advisor pays a fee to Winrise Capital Inc for client referrals as permitted by Rule 206(4)-3 of the Investment Advisors Act of 1940, as amended. As of the date of this filing, no third-party advisors are engaged.

### **Item 14 - Custody**

Winrise Capital Inc does not have custody of client assets. Client assets are held by qualified custodians such as banks or broker-dealers that are independent of Winrise Capital Inc. Clients receive account statements directly from these custodians at least quarterly. These statements reflect all holdings and transactions in the client accounts.

### **Item 15 - Investment Discretion**

Winrise Capital Inc does not have discretionary authority over client accounts. All trades or investment decisions are made with the explicit approval of the client prior to execution. Any investment recommendations provided by Winrise Capital Inc are discussed with the client, and final decisions rest solely with the client.

### **Item 16 - Voting Client Securities**

Winrise Capital Inc does not accept proxy voting responsibility for any client. Although Winrise Capital Inc may provide investment advisory services relative to client investment assets, clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings, or other types of events pertaining to the client's investment assets. Winrise Capital Inc and/or the client shall correspondingly instruct the custodian of the assets to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets. Clients may contact Winrise Capital Inc with questions about any solicitations.

### **Item 17 - Financial Information**

Winrise Capital Inc does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients.

A balance sheet is not required to be provided because Winrise Capital Inc does not serve as a custodian for client funds or securities, and does not require prepayment of fees of more than \$1,200 per client, and six months or more in advance.