

**Part 2A of Form ADV**  
***The Brochure***

# **WinShore Capital Partners LP**

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WinShore Capital Partners LP (“WinShore”, the “Firm”, or the “Adviser”) is a registered investment adviser with the U.S. Securities and Exchange Commission (“SEC”). Being registered as an investment adviser does not imply a certain level of skill or training.

This brochure provides information about the qualifications and business practices of WinShore. If you have any questions about the contents of this brochure, please contact us at (646) 751-5668. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

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

## **Item 2 - Material Changes**

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In this Item, the Firm is required to discuss any material changes that have been made to the brochure since the last annual amendment. There have been no material changes since that time.

Our Brochure may be requested by contacting Wen Yang, the Adviser's Chief Compliance Officer at (646) 751-5668.

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## Item 4 - Advisory Business

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- A. The Adviser is a Delaware limited partnership and has its principal place of business located in New York, NY. The Adviser provides discretionary investment advisory services to private investment funds for sophisticated, qualified investors (the “Fund” or the “Client”, and together, the “Funds” or the “Clients”).<sup>1</sup>

The Adviser was formed in 2019 by Gang Hu and Wen Yang (the “Principals”).

- B. The Adviser manages a global macro and relative value trading strategy. The Adviser mainly trades rate products such as government bonds and interest rate swaps, as well as other derivatives such as futures and options.
- C. While each of its Clients will follow the general strategy stated above, the Adviser may tailor the specific advisory services with respect to each Client based on the particular investment objectives and strategies described in the applicable (i) separate account agreement and (ii) governing documents (referred to collectively as “Offering Documents”).

**All discussion of the Clients in this Brochure, including but not limited to their investments, the strategies used in managing the Clients, and conflicts of interest faced by the Adviser in connection with the management of the Clients are qualified in their entirety by reference to each Client’s respective Offering Documents.**

- D. The Adviser does not participate in wrap fee programs.
- E. As of 12/31/23, the Adviser’s regulatory assets under management amounts to \$1,556,119,906, all of which is managed on a discretionary basis.

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<sup>1</sup> As a registered investment adviser, the Adviser owes a fiduciary duty to all of its clients. In 2006, the decision by the Court of Appeals for the D.C. Circuit in *Goldstein v. SEC*, 451 F.3d 873 (D.C. Cir. June 23, 2006), with respect to private funds, clarified that the “client” of an investment adviser to a private fund is the fund itself and not an investor in the fund.

## Item 5 - Fees and Compensation

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- A. Below is a discussion of how the Adviser is compensated in connection with providing advisory services to its Clients.

*Management Fees.* The Adviser is entitled to a management fee based on a negotiated fee schedule detailed in the investment advisory agreement. The compensation is based on the current allocation to the Adviser, which may periodically be negotiated with the Clients based on business needs.

*Performance Fees.* The Adviser is entitled to a performance-based fee at the end of each twelve-month period. The Performance Fees are negotiated with the Client(s) and detailed in the respective investment advisory agreement.

- B. Management Fees are invoiced monthly in advance to the Clients. Performance Fees are calculated and invoiced annually in arrears. The Adviser does not directly deduct any fees from the Clients.
- C. The Clients will incur brokerage and other transaction costs. Item 12 of this brochure discusses how the Adviser selects brokers and determines the reasonableness of their compensation. The direct expenses borne by Clients are described in more full detail in the respective Client's Offering Documents.
- D. Management fees are paid monthly in advance. If a client account is terminated by the Adviser, fees will be rebated to the client pro rata from the date of termination. If a client account is terminated by the client, the Client must pay any fee owed to the Adviser through the end of the notice period, which is 30 business days from the date of notice.
- E. Other than as described above, neither the Adviser nor any of its supervised persons receive any compensation from the sale of securities or other investment products.

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

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As stated in Item 5 above, the Adviser receives performance-based fees from the Client. These payments are subject to Section 205(a)(1) of the Investment Advisers Act of 1940, as amended (the “Advisers Act”), in accordance with the available exemptions thereunder, including the exemption set forth in Rule 205-3, which requires that performance-based fees only be charged to “qualified clients” (as such term is defined in Rule 205-3).

Performance-based fees, in general, may create an incentive for an adviser or its supervised persons to make investments that are riskier and more speculative than would be the case in the absence of a performance-based fee. In the event the Adviser provides services to more than one Client, such fee arrangements may also create an incentive to favor higher fee-paying clients over other Clients in the allocation of investment opportunities. To address these conflicts of interest with respect to any future clients, the Adviser has implemented policies and procedures to ensure that all clients receive equitable and fair treatment over time with respect to the allocation of investment opportunities.

## **Item 7 - Types of Clients**

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The Adviser provides discretionary investment advisory services to the private investment funds for sophisticated, qualified investors.

Acceptance of Fund and sub-advisory account relationships is determined on a case-by-case basis.

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

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

The Adviser's investment strategy is summarized below and detailed in the governing documents for each Client.

The Adviser manages a global macro and relative value trading fund. The Adviser mainly trades rate products such as government bonds and interest rate swaps, as well as other derivatives such as futures and options. The Adviser aims to identify and capture short to medium term price dislocations in the global marketplace. The Adviser employs leverage through the use of repo and reverse repo transactions for its cash securities holding.

As a result of the Adviser's investment strategy, the Adviser's net assets value is distinct to that of the reported regulatory assets under management ("RAUM") value. The Adviser relies on the gross assets reflected on the balance sheet to determine the registered assets under management value. Additional liabilities and expenses are not calculated into the RAUM value.

### **Risk of Loss**

The Adviser's investment strategy involves a high degree of business and financial risk that can result in substantial losses and is suitable only for investors prepared to bear such risk. The risks factors below are not intended to be exhaustive. Prospective investors should carefully review the risks described in the applicable Client's offering documents:

#### **Investment and Trading Risks**

All securities investments bear significant risk of capital loss. The Adviser believes that its trading program and research techniques will moderate this risk through a careful selection of securities and other financial instruments. However, no guarantee or representation is made that the Clients' trading programs will be successful or that the Clients will not incur losses. The Clients' trading programs may utilize trading techniques including, but not limited to, trading in put and call options and other derivatives, the use of leverage, and short sales, which in practice can, in certain circumstances, increase the adverse impact to which the Clients may be subject.

#### **General Operational Risks**

The volume and complexity of the Clients' transactions may place substantial burdens on the Investment Manager's operational systems and resources, including those related to trade entry and execution, position reconciliation, corporate actions, collateral and margin maintenance, marking procedures, finance, accounting, profit and loss reporting, internal management and risk reporting and funds transfers. Human error (including, without limitation, trading errors), system failure or other problems with any of these processes could result in material losses or costs, which generally will be borne by the Clients.



### Dependence on the Adviser

Clients must rely on the ability of the Adviser to manage the Client's trading and investment program. The Adviser, in turn, depends on the services of certain key personnel. The loss of the Adviser's services could be material and adverse to the Clients.

### Dependence on the Adviser's Personnel

The Clients' success depends upon the ability of the Adviser's personnel to develop and implement, as well as allocate the Clients' capital among investment strategies in an attempt to achieve the Clients' investment objectives. If the Adviser were to lose the services of the Adviser's personnel, the consequences to the Clients could be material and adverse.

### Leverage

The Adviser may have the authority to borrow funds and may do so when deemed necessary or appropriate by the Adviser. The Adviser may borrow funds on behalf of its Clients from brokers, banks and other lenders to finance its investing and trading operations, which borrowings may be secured by Client assets. The use of such leverage can, in certain circumstances, maximize the losses to which a Client's investment portfolio may be subject. Any event that adversely affects the value of an investment would be magnified to the extent that a particular asset or the Client as a whole is leveraged. The cumulative effect of the use of leverage in a market that moves adversely to Client investments could result in a substantial loss to Clients, which would be greater than if Clients were not leveraged.

### Investment Judgment; Market Risk

The profitability of a significant portion of the Adviser's investment program depends to a great extent upon correctly assessing the future course of the price movements of securities and other investments. There can be no assurance that the Adviser will be able to predict accurately these price movements. With respect to the investment strategy utilized by the Fund, there is always a degree of market risk.

### Short Sales

A short sale involves the sale of a security that the Clients do not own in the expectation of purchasing the same security (or a security exchangeable therefor) at a later date at a lower price. To make delivery to the buyer, the Clients must borrow the security and the Clients are obligated to return the security to the lender, which is accomplished by a later purchase of the security by the Clients. When the Client makes a short sale in the United States, it must leave the proceeds thereof with the broker and it must also deposit with the broker an amount of cash or U.S. government or other securities sufficient under current margin regulations to collateralize its obligation to replace the borrowed securities that have been sold. If short sales are effected on a foreign exchange, such transactions will be governed by local law. A short sale involves the risk of a theoretically unlimited increase in the market price of the security that would result in a theoretically unlimited loss to the Clients. The

extent to which the Clients will engage in short sales will depend upon the Adviser's trading strategy and perception of market direction and the value of individual securities. The Adviser may engage in short sales on behalf of the Clients as a hedge against potential market declines and/or based on its fundamental analysis of the subject issuers. Additionally, from time to time, the U.S. government or other foreign jurisdictions have imposed restrictions on the abilities of investors to enter short sales. Such restrictions may affect the ability of the Adviser to carry out the investment strategy.

#### Systemic Risk

The events of late 2008 demonstrated the systemic risk of a general loss in confidence, or simply uncertainty, concerning the stability of financial institutions in general. It is difficult, if not impossible, for any counterparty to know the financial condition of another counterparty in detail, and in a scenario in which a major investment bank declares bankruptcy, resulting in lasting uncertainty concerning, and material losses of, its customer funds, financial institutions can suddenly cease ordinary course dealings with each other, resulting in "credit freezes," the inability to refinance short-term borrowings and general dysfunction of the financial markets.

Many other highly successful financial market participants sustained major losses as a result of the systemic dysfunction of the global financial system following the Lehman Brothers bankruptcy. There can be no assurance that such disruptions will not recur or that the Clients will not incur major losses as a result.

#### Availability of Suitable Investments

While the Adviser believes that there are currently available many attractive investments of the type in which the Clients currently invest, there can be no assurance that such investments will continue to be available for the Clients' investment activities, or that available investments will meet the Clients' investment criteria.

#### Custody Risk

The Clients, prime brokers and their affiliates, and other primary custodians may, subject to the restrictions imposed by the Advisers Act, appoint sub-custodians in certain non-U.S. jurisdictions to hold the assets of the Client. The Clients' primary custodians may not be responsible for cash or assets held by sub-custodians in certain non-U.S. jurisdictions, or for any losses suffered by the Client as a result of the misconduct, bankruptcy or insolvency of any such sub-custodian.

#### Changes in Counterparties and/or Custodians

The Adviser may change Clients' brokerage arrangements without prior notice to, and without the consent of, the Clients.

**THE FOREGOING LIST OF RISK FACTORS DOES NOT PURPORT TO BE A COMPLETE ENUMERATION OR EXPLANATION OF THE RISKS INVOLVED IN ADVISER'S METHODS OF ANALYSIS AND INVESTMENT STRATEGIES USED IN FORMULATING INVESTMENT ADVICE OR MANAGING ASSETS. PROSPECTIVE CLIENTS SHOULD CAREFULLY REVIEW THE RISKS DESCRIBED IN THE APPLICABLE GOVERNING DOCUMENTS.**

## **Item 9 - Disciplinary Information**

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There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of the Adviser's advisory services or the integrity of management.

Neither WinShore, nor any of its affiliates, have ever been disciplined or sanctioned by any regulatory agency.

## **Item 10 - Other Financial Industry Activities and Affiliations**

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- A. The Adviser is not registered, and does not have an application pending to register, as a broker-dealer or registered representative of a broker-dealer. Currently, no employees of the Adviser are registered representatives of a broker-dealer.
- B. Neither the Adviser nor any of its management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of the foregoing entities. The Adviser is exempt from registering with the United States Commodity Futures Trading Commission (the “CFTC”) as a commodity trading adviser pursuant to CFTC Rule 4.14(a)(8).
- C. The Adviser does not have any other relationships or arrangements with any related persons that is material to its advisory business or to its Clients.
- D. The Adviser does not recommend or select other investment advisers for its Clients.

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

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- A. The Adviser has adopted a written Code of Ethics designed to address and avoid potential conflicts of interest as required under Rule 204A-1 of the Advisers Act (the “Code”). The Code sets forth a standard of business conduct and compliance with federal securities laws by all of the Adviser's employees. The Code contains policies and procedures that ensure that all personal securities trading by employees of the Adviser is conducted in such a manner as to avoid actual or potential conflicts of interest or any abuse of an individual's position of trust and responsibility, including a preclearance requirement for certain securities. The Adviser also requires periodic reporting of employees' personal securities transactions and holdings and requires prompt internal reporting of Code violations.

The Adviser has established procedures to prevent the abuse of material, non-public information. Because the structure of the Adviser would make information barriers impractical, the firm has not imposed information barriers to restrict the internal flow of possible material, non-public information. Thus, all professionals are deemed to be in receipt of material, non-public information, in all instances where any professional of the Adviser has received material, non- public information, and, therefore, may not trade on the basis of that information.

The Adviser will provide a copy of the Code to any investor or prospective investor upon request.

- B. The Adviser does not have a material financial interest in securities for which it recommends to Clients or buys or sells for Client accounts.
- C. The Adviser does not invest in securities that it recommends to Clients. However, to reflect any potential conflicts of interest, the Adviser has implemented personal trading policies within the Code that requires pre-clearance of personal trades in certain circumstances; requires periodic reporting of employees' personal securities transactions and holdings; and requires prompt internal reporting of Code violations.
- D. The Adviser does not recommend securities to clients at the same time that it buys or sells for its own account.

## Item 12 - Brokerage Practices

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- A. The Adviser has complete discretion to determine, subject to the Client's disclosed investment objectives, policies and strategies, the securities to be purchased or sold and in what amounts, the broker-dealers and other financial intermediaries use in effecting the transactions for the Client, and the commission rates to be paid for such transactions.

*Brokerage.* The Adviser selects the broker-dealers and other financial intermediaries used to effect transactions on behalf of the Client. The Adviser seeks to obtain "best execution" from these broker-dealers based on a variety of factors. In selecting broker-dealers to effect portfolio transactions, the Adviser may cause the Client to enter into arrangements pursuant to which the Client pays transaction costs in an amount greater than would be incurred if another broker-dealer were used. The Adviser is not required to solicit competitive bids or seek the lowest available commission or transaction costs. The transactions executed by the Client may be cleared through, and the Client's investment instruments may be held by, a number of financial institutions the Adviser selects on terms negotiated with each such financial institution individually. Subject to the Adviser's agreement with the Client, the Adviser may use a variety of financial institutions both to take advantage of differing expertise and capabilities and to avoid, due to credit concerns, having all investment instruments concentrated at one firm. The Adviser does not consider the receipt of client referrals when selecting broker-dealers to execute transactions.

The Adviser does not permit Clients to direct brokerage to a specified broker-dealer. All brokerage transactions will be executed through the broker-dealers selected by the Adviser.

*Soft Dollars.* The Adviser does not have any soft dollar arrangements with third parties. To the best of the Adviser's knowledge, the research the Adviser receive from broker dealers are generally made available to all institutional clients doing business with such broker dealers. The Adviser does not separately compensate such broker dealers for research.

- B. The Adviser currently only provides advisory services to one Client; therefore, the Adviser does not aggregate orders.

### **Item 13 – Review of Accounts**

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- A. The Principals of the Adviser are responsible for reviewing Client investment portfolios on a daily basis relating to, among other factors, position sizes; exposure levels; margin requirements; and investment strategy compliance.
- B. See Item 13.A. above.
- C. The Adviser provides the Client with periodic written reports and other communications.



#### **Item 14 - Client Referrals and Other Compensation**

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- A. The Adviser does not receive any economic benefit, including sales awards or prizes, from any third party for providing advisory services to the Fund.
- B. Neither the Adviser nor a related person of the Adviser directly or indirectly compensates any person for client referrals.

## **Item 15 - Custody**

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The Adviser is not a custodian and does not hold client assets.

## **Item 16 - Investment Discretion**

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The Adviser exercises discretion in managing the Clients' investments based on the Clients' investment objectives, policies, and strategies disclosed in its Offering Documents.

The Adviser contractually assumes discretionary authority with each Client account under an investment management agreement.

## **Item 17 - Voting Client Securities**

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The Adviser does not transact in securities that are voting eligible. Therefore, the Client does not receive proxies.

## **Item 18 - Financial Information**

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- A. The Adviser does not require or solicit prepayment of more than \$1,200 six months or more in advance.
- B. The Adviser does not believe it has any financial condition that is reasonably likely to impair its ability to meet its contractual commitments to its Clients.
- C. The Adviser has not been the subject of a bankruptcy petition at any time during the past ten years.