



MIFIDPRU Public Disclosure Document

Sandbar Asset Management LLP (FCA FRN: 801828)

Date as at: December 2023

For the period as of: 31 March 2023

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1 Overview and summary

Sandbar Asset Management LLP (“**Firm**” or “**Sandbar**”) is authorised and regulated by the Financial Conduct Authority (“**FCA**”) as a Full-scope Alternative Investment Fund Manager (“**Full-scope AIFM**”) and categorised as a Collective Portfolio Management Investment firm (“**CPMI firm**”).

The Firm is subject to the rules and requirements of the FCA’s Prudential Sourcebook for MiFID Investments Firms (“**MIFIDPRU**”) Handbook. For the purposes of MIFIDPRU, the Firm has been classified as a non-small non-interconnected (“**SNI**”) firm, therefore a non-SNI firm.

The Firm has produced this Public Disclosure Document in line with the rules and requirements of MIFIDPRU 8, as applicable to **non-SNI firms**.

This Public Disclosure Document has been prepared based on the **audited financials as of 31 March 2023**, covering the financial period 1 April 2022 to 31 March 2023.

Sandbar pursues a global long / short equity investment strategy.

2 Governance arrangements

The Firm’s ultimate decision making and oversight body is the Executive Committee.

The Executive Committee is responsible for setting the Firm’s business objectives, strategy and annual budgets. The Executive Committee is governed by its Terms of References, which include all responsibilities and requirements as per SYSC 4.3A.1 and the Firm has accordingly implemented segregation of duties between its business functions and control functions.

The Firm maintains a Conflict of Interests Policy and procedures. Potential conflicts of interests are continually monitored and assessed by Compliance as an independent control function, as well as being reported to the Executive Committee on a regular basis.

In line with MIFIDPRU 7.3.1, the Firm has established a Risk Management Committee. The roles and members of the Firm’s Risk Management Committee are as follows:

- The Risk Management function is headed by Partner James Orme-Smith, the Firm’s Chief Executive Officer (“**CEO**”) and Chief Risk Officer. Mr Orme-Smith is not part of the Firm’s investment management or trading teams; and is also the Firm’s Compliance Officer and Money Laundering Reporting Officer.
- Partner and Head of Trading Nicolas Green.
- Partner and Chief Investment Officer (“**CIO**”) Michael Cowley.
- Head of Operations Tajinder Sahota.

The Executive Committee receives regular reporting and management information on the Firm’s operations, specifically reporting and escalation of any compliance, financial, legal and risk matters. The Executive Committee receives independent reporting for internal control functions as well as external independently appointed auditors and consultants on the effectiveness of the Firm’s operations, systems and control arrangements.

2.1 External Directorships

In line with MIFIDPRU 8.3.1 (2), the Firm has detailed below the number of external appointments, both as executive and non-executive roles of its Executive Committee members:

Name and role	No. of external executive roles	No. of external non-executive roles
Michael Cowley Partner and CIO	0	0
James Orme-Smith Partner and CEO	2	0

2.2 Promoting diversity and inclusion

Sandbar aims for diversity not only in terms of gender, nationality, age, educational background, sexual orientation, gender identity, religion, ethnic background, disability, or distance to the labour market, but also across personal experiences, characteristics, socio-economic backgrounds and the different skills that people bring. The Firm focuses on creating an inclusive workplace and puts significant effort into training around inclusion and bias awareness. The Firm maintains a Diversity and Inclusion Policy.

3 Risk management objectives and policies

The Firm has implemented and embedded risk management framework, policies and procedures across all relevant risk areas of the Firm. The Executive Committee sets the business strategy and risk appetite statement of the Firm, which flows through to the risk management framework of the Firm.

In line with the Firm's business strategy, risk appetite and risk management framework the Firm identifies and further assesses key risks within the Firm's Internal Capital and Risk Assessment ("ICARA") process. The Firm maintains an appropriate risk register. Key risks are reported to Executive Committee.

3.1 Own funds requirements – MIFIDPRU 4

Based on the Firm's business model and what drives the risks, the K-factor applicable to Sandbar is only K-AUM.

The Firm's investments risks are captured within its K-AUM calculation and operational risks are predominantly captured within its Fixed Overhead Requirement ("FOR") calculation. The Firm has further assessed any operational risks within its ICARA and quantified additional own funds and liquidity, where required.

3.2 Concentration risk – MIFIDPRU 5

The Firm does not conduct any trading on own account and does not have regulatory permissions for dealing as principal. The Firm therefore does not have any concentration risks on or off balance sheet and does not operate a trading book.

3.3 Liquidity – MIFIDPRU 6

The Firm maintains minimum liquidity at all times in compliance with the Basic Liquid Asset Requirement (“BLAR”), being at least 1/3 of its FOR.

The Firm does not provide any client guarantees and therefore its entire liquidity requirement is driven by its expenses, as captured by the FOR.

As part of the ICARA, the Firm also maintains liquidity to satisfy its net wind-down costs and any additional liquidity requirements which the ICARA identified for supporting the ongoing business activities of the Firm.

4 Remuneration arrangements

Sandbar has adopted a remuneration policy and procedures that comply with the requirements of chapter 19G of the FCA's Senior Management Arrangements, Systems and Controls Sourcebook (“SYSC”).

In accordance with MIFIDPRU 8.6.2, the Firm makes the following qualitative remuneration disclosures:

The Firm’s remuneration policies and practices are reviewed annually to ensure they are appropriate and proportionate to the nature, scale and complexity of the risks inherent in the business model and the activities of the Firm.

The Executive Committee, acting as the Remuneration Committee, is directly responsible for the Firm’s overall remuneration policy.

The Firm ensures that its remuneration structure promotes effective risk management and balances the fixed and variable remuneration components for all its staff members. Variable remuneration is adjusted in line with capital and liquidity requirements as well as the Firm’s performance.

Sandbar’s Remuneration Policy sets out the criteria for setting fixed and variable remuneration. All remuneration paid to staff members is clearly categories as either fixed or variable remuneration.

Fixed remuneration is based upon a staff member’s professional experience and organisational responsibility. It is permanent, pre-determined, non-discretionary, non-revocable and not dependent on performance. Variable remuneration is based upon staff members performance or, in exceptional cases, other conditions.

Performance reflects the long-term performance of the staff member, as well as performance in excess of the staff member’s job description and terms of employment, and includes discretionary pension benefits and includes carried interest (as referred to in SYSC 19G.1.27R).

Total remuneration is based on balancing both financial and non-financial indicators together with the performance of the Firm and the staff member’s business unit.

The Firm ensures that fixed and variable components of the total remuneration are appropriately balanced; and that the fixed component represents a sufficiently high proportion of the total remuneration to enable the operation of a fully flexible policy on variable remuneration.

The Firm monitors fixed to variable compensation to ensure SYSC 19G is adhered to with respect to Total Remuneration.

Sandbar does not benefit from exceptional government intervention.

Quantitative Remuneration

All firms are required to publicly disclose certain quantitative information in relation to the levels of remuneration awarded. As a non-SNI firm, and in accordance with MIFIDPRU 8.6.8, Sandbar is required to disclose the following information, as set out below:

For the performance year ending 31 March 2023:

Number of Material Risk Takers (“MRT”), including Senior Manager Functions (“SMF”)	6
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Employee category	Total remuneration awarded	Total fixed remuneration	Total variable remuneration
SMFs	£1,823,827	£803,815	£1,114,500
MRTs	£1,823,827	£803,815	£1,114,500
All other employees	£1,390,567	£660,000	£730,567

The Firm did not pay any guaranteed variable bonus for the year ending 31 March 2023.

The Firm did not pay any severance payment during the last financial year.