Northlander Commodity Advisors LLP

MIFIDPRU Public Disclosure Document

For the period 1-Jan 2023 - 31-Dec 2023

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1 Overview and summary

Northlander Commodity Advisors LLP is regulated by the Financial Conduct Authority ("FCA") as a Collective Portfolio Management Investment ("CPMI") firm and subject to the rules and requirements of the FCA's Prudential Handbooks, including the Sourcebook for MiFID Investments Firms ("MIFIDPRU") handbook due to the MiFID-like ancillary permissions is has as an AIFM.

For the purposes of MIFIDPRU, the Firm has been classified as a small non-interconnected ("SNI") firm.

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

This Public Disclosure Document has been prepared based on the audited financials covering the financial period 1 Jan 2023-31 Dec 2023.

The Firm's main business activity is an investment manager to Fund Pools and Segregated Managed Accounts ("SMA"). The Fund Pools are established externally and open to an outside investor, which is categorised as Alternative Investment Funds (AIF) under the Alternative Investment Fund Managed Directive (AIFMD).

2 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 Management Board sets the business strategy and risk appetite statement of the Firm, which flows through to the risk management framework implementation across 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 a risk register, which includes risk assessment in accordance with its internal and external risk exposure. Key risks are reported to the Management Board at the respective meeting.

2.1 Own funds requirements – MIFIDPRU 4

As an SNI firm without permissions for dealing as principle or holding client money or client assets, the Firm is subject to an IFPR Permanent Minimum Requirement of £75,000. However, the Firm is subject to a 'higher of' own funds requirement. It is subject to a AIFMD minimum requirement of €125,000, and should hold AIFMD own funds of this base requirement, plus 2 basis points of AUM over €250mn, plus either a basis point of AUM or the excess cost of PII cover.

The Firm calculates its own funds requirements based on the Fixed Overhead Requirement ("FOR") calculation and is not subject to any K-factor requirements, as this is calculated to the highest value. This is detailed in item 3 below.

The Firm has further assessed any risks facing its business operations within its ICARA and quantified additional own funds and liquidity, where required.

2.2 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.

2.3 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.

3 Own funds

3.1 Own funds requirements

The Firm calculates tis own funds requirements as an SNI firm in line with the rules and requirements in MIFIDPRU 4.3 for SNI firms.

Own Fund Threshold Requirement (OFTR)			
Minimum Own Funds Requirement			
A	Permanent Minimum Requirement (“PMR”)	£	75,000
B	Fixed Overhead Requirement (“FOR”)	£	339,933
C	**Minimum Own Funds Requirement (higher of (A) and (B))**	**£**	**339,933**

AIFMD Capital Requirements			
Minimum AIFMD Capital Requirement			
A	AIFMD Base Capital Requirement	£	108,325.00
B	Fixed Overhead Requirement	£	339,932.60
C	Funds Under Management Requirement	£	-
D	PLUS PII Requirement	£	1,373.66
	AIFMD Capital Requirement (higher of (A), (B) and (C)) + (D)	**£**	**341,306.26**
Regulatory Capital		£	341,306
Surplus		**£**	**509,754**

Firm Capital Requirement	**£**	**341,306**

In addition, the Firm has completed its ICARA and analysis to determine its net wind-down requirements and any additional own fund requirements to fund its on-going operations.

The Firm's risk appetite statement and assessment of risks through its risk management framework and risk register form the basis of its ICARA and assessment of the overall financial adequacy rule in line with MIFIDPRU 7.4.7.

The Management Board reviews, challenges and approves the ICARA and conclusions of own funds requirements.

4 Remuneration arrangements

The Firm 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 Management Board, as the Remuneration Committee, is directly responsible for the overall remuneration policy.
- The Firm ensures that its remuneration structure promotes effective risk management and balances the fixed and variable remuneration components for all Staff.
- Variable remuneration is adjusted in line with capital and liquidity requirements as well as the firm's performance.

Northlander'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 Firm's annual performance and staff members performance or, in exceptional cases, other conditions.

Amounts paid to Partners of the Firm may include a share of residual profits, which as per SYSC 19G.4.4 is not considered remuneration.

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.

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 contribution to the Firm's performance.

The Firm ensures that fixed and variable components of the total remuneration are appropriately balanced; and 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.

Quantitative Remuneration

All firms are required to publicly disclose certain quantitative information in relation to the levels of remuneration awarded.

As an SNI firm and in accordance with MIFIDPRU 8.6.8, Northlander is required to disclose the total amount of remuneration awarded to all staff, split into fixed and variable remuneration.

For the performance year ending 31 December 2023:

Total fixed gross remuneration awarded £273,334
Total variable gross remuneration awarded £11,000
Total remuneration awarded £284,334