

MIFIDPRU 8 Disclosure

Background

Whitman Asset Management Limited (“Whitman” or “the Firm”) is incorporated in England and is authorised and regulated by the FCA as an investment firm, with Firm Reference Number (FRN) 916792.

At the time of the Internal Capital Adequacy and Risk Assessment (“ICARA”) and FCA’s “Prudential sourcebook for MiFID Investment Firms” (“MIFIDPRU”), Whitman was an SNI MIFIDPRU £75k investment firm.

This disclosure has been prepared on that basis in accordance with MIFIDPRU 8.

Disclosure Policy

The disclosures are made as at dated 31st January 2023, based upon the firm’s ICARA approved by the Board on 4 July 2023 and in line with the latest published financial statements.

These prudential disclosures are published annually, via the Firm’s external website (<http://www.whitman.co.uk>). The frequency of disclosure will be assessed, should there be a material change in either the nature or scale of the entity.

Introduction

The ICARA is “owned” by the Whitman Board and is the result of ongoing collaboration across a number of key personnel at Whitman, including its Board members. As a key component of the ICARA, dedicated Whitman Board specific workshops will be arranged with these key personnel (the “ICARA Working Group”). These workshops provide the ICARA Working Group with the opportunity to understand the strategy of the Company, to identify and assess harms to clients and market, risks affecting the Company’s capital and liquid resources and challenge the viability and sustainability of its business model and strategy.

Whitman has identified its principal risks as Credit Risk, and Operational Risk.

Whitman is required to disclose its risk management objectives and policies for each separate category of risk, which include the strategies and processes to mitigate those risks. Whitman has assessed its Harms and Risks in its ICARA and sets out appropriate actions to manage them. Whitman will make MIFIDPRU 8 disclosures on an annual basis.

Risk Management Objective

The Board of Whitman is responsible for determining the level of risk that it considers acceptable for Whitman to operate at (i.e. the firm’s risk appetite). Whitman overall has a conservative approach to risk.

Risks are mitigated through the application of limits and controls and a monitoring process at operational level. On a day-to-day basis, it is the responsibility of the CEO to monitor risks and determine the firm’s appetite.

Risk Management Governance Framework

On at least an annual basis Whitman meets to review the assessment and consider whether the level of risk that Whitman is operating at (i.e. the firm’s risk appetite) is acceptable.

Remuneration Policy

The Whitman Board determines the Remuneration Policy, based on an established agreement with the Whitman operating team. In determining the Remuneration Policy, the Whitman Board may consider, amongst other things, the short-term and long-term financial position of Whitman along with other appropriate risk assessments.

As per the Remuneration Policy, the performance-related remuneration is subject to Whitman being profitable and is based on the agreed split between the partners of Whitman and its staff.

It has determined that there are 5 employees that are identified as Code Staff as of 31st December 2022. In line with the proportionality guidance aggregate remuneration has been provided below for Code Staff:

Total remuneration for all staff in 2022 was:

	£000
Fixed compensation	624
Variable compensation	55
Total	679

Capital Resources and Requirements

The MIFIDPRU Standard capital requirement is defined as the higher of the following:

- Base Capital Requirement (£75,000); OR
- Fixed Overhead Requirement;

Whitman's Standard requirement as of 31st January 2023, based on the Variable Capital Requirement, was **£364,500**:

The firms Total Capital Resources as of 31st January 2023 are:

	£000
Core Equity Tier 1 capital	922
Additional Tier 1 capital	0
Tier 2 capital	0
Deductions from Tiers 1 and 2	0
Total	922

Whitman's Overall Financial Adequacy Requirement is calculated by the Firm in accordance with its ICARA.

This includes an assessment of the adequacy of capital resources to support current and future activities and to cover the Harms and key risks faced by the business, including relevant stress scenarios. The ICARA is reviewed and approved at least annually by the Whitman board.

Based on its ICARA assessment, the Whitman Board considers that an appropriate level of capital to support current and future business requirements, taking into consideration stress events and various key risk scenarios, is **£364,500**.

