

DSAM Partners

June 2023

DSAM PARTNERS (LONDON) LIMITED - MIFIDPRU 8 DISCLOSURE

Introduction

The Financial Conduct Authority (“FCA” or “regulator”) in the Prudential sourcebook for MiFID Investment Firms in the FCA Handbook (“MIFIDPRU”) sets out the detailed prudential requirements that apply to DSAM Partners (London) Limited (“DSAM or “the Firm”). Chapter 8 of MIFIDPRU (“MIFIDPRU 8”) sets out public disclosure rules and guidance with which the Firm must comply, further to those prudential requirements.

DSAM is classified under MIFIDPRU as a small and non-interconnected MIFIDPRU investment firm (“SNI MIFIDPRU Investment Firm”). As such, the Firm is required by MIFIDPRU 8 to disclose information regarding its remuneration policy and practices.

The purpose of these disclosures is to give stakeholders and market participants an insight into the Firm’s culture and to assist stakeholders in making more informed decisions about their relationship with the Firm.

This information has been prepared by DSAM in accordance with the requirements of MIFIDPRU 8 and is verified by the Board of Directors. Unless otherwise stated, all figures are as at the Firm’s 31 December financial year-end.

Remuneration Policy and Practices

Overview

As an SNI MIFIDPRU Investment Firm, DSAM is subject to the basic requirements of the MIFIDPRU Remuneration Code (as laid down in Chapter 19G of the Senior management arrangements, Systems and Controls sourcebook in the FCA Handbook (“SYSC”). DSAM, as an alternative investment fund manager, is also classified as a collective portfolio management investment firm, and as such, is also subject to the AIFM Remuneration Code (SYSC 19B). The purpose of the remuneration requirements is to:

- Promote effective risk management in the long-term interests of the Firm and its clients;
- Ensure alignment between risk and individual reward;
- Support positive behaviours and healthy firm cultures; and
- Discourage behaviours that can lead to misconduct and poor customer outcomes.

The objective of DSAM's remuneration policies and practices is to establish, implement and maintain a culture that is consistent with, and promotes, sound and effective risk management and does not encourage risk-taking which is inconsistent with the risk profile of the Firm and the services that it provides to its clients.

In addition, DSAM recognises that remuneration is a key component in how the Firm attracts, motivates, and retains quality staff and sustains consistently high levels of performance, productivity, and results. As such, the Firm's remuneration philosophy is also grounded in the belief that its people are the most important asset and provide its greatest competitive advantage.

DSAM is committed to excellence, teamwork, ethical behaviour, and the pursuit of exceptional outcomes for its clients. From a remuneration perspective, this means that performance is determined through the assessment of various factors that relate to these values, and by making considered and informed decisions that reward effort, attitude, and results.

Characteristics of the Firm's Remuneration Policy and Practices

Remuneration at DSAM is made up of fixed and variable components. The fixed component is set in line with market competitiveness at a level to attract and retain skilled staff. Variable remuneration is paid on a discretionary basis and takes into consideration the Firm's financial performance as well as the financial performance of the team, and the financial and non-financial performance of the individual in contributing to the Firm's success. All staff members are eligible to receive variable remuneration.

The below table summarises the financial and non-financial criteria of performance used across the Firm in assessing the level of variable remuneration to be paid:

	Financial Performance Criteria	Non-Financial Performance Criteria
Firm	The overall financial performance of DSAM.	The contribution of DSAM's remuneration schemes to ensure effective risk management of the firm's operations and the provision of investment services to its clients.
	The impact of DSAM's remuneration schemes on the Firm's Capital and Liquidity position.	How the remuneration schemes assist the promotion of a culture which fosters adherence to the DSAM's obligations as an FCA regulated firm.
		How the remuneration schemes foster a culture that focuses on the long-term success of DSAM's clients and avoids or mitigates any conflict of interest between the Firm and its clients.
	For the investment management business unit, the performance of DSAM's clients and	Considerations on whether the investment management business unit delivered a sound risk

Business Unit	the business unit's contribution to portfolio performance.	management programme and promoted a compliant and healthy working culture in the prior financial year.
	For non-investment management business units, adherence to planned budget expectations.	For non-investment management business units, their achievement of assigned projects to support the success of DSAM.
Individual	For all staff, a holistic assessment of a Staff member's contribution to DSAM in the prior year, when benchmarked against agreed objectives.	For all staff, their adherence to the conduct standards that are expected by DSAM's Board of Directors in the prior financial year.
	For investment management professionals, their contribution to the portfolio performance of DSAM's clients and the associated financial performance of DSAM.	The Firm considers if any remuneration scheme could impose a conflict of interest between DSAM and a staff member or DSAM and a client.

The fixed and variable components of remuneration are appropriately balanced: the fixed component represents a sufficiently high proportion of the total remuneration to enable the operation of a fully flexible policy on variable remuneration. This allows for the possibility of paying no variable remuneration component, which the Firm would do in certain situations, such as where the Firm's profitability performance is constrained, or where there is a risk that the Firm may not be able to meet its capital or liquidity regulatory requirements.

Governance and Oversight

The Board of Directors is responsible for setting and overseeing the implementation of DSAM's remuneration policy and practices. In order to fulfil its responsibilities, the Board of Directors:

- Is appropriately staffed to enable it to exercise competent and independent judgment on remuneration policies and practices and the incentives created for managing risk, capital, and liquidity.
- Prepares decisions regarding remuneration, including decisions that have implications for the risk and risk management of the Firm.
- Ensures that the Firm's remuneration policy and practices take into account the public interest and the long-term interests of shareholders, investors, and other stakeholders in the Firm.
- Ensures that the overall remuneration policy is consistent with the business strategy, objectives, values, and interests of the Firm and of its clients.

DSAM's remuneration policy and practices are reviewed annually by the Board of Directors.

Quantitative Remuneration Disclosure

For the financial year 1 January to 31 December 2022, the total amount of remuneration awarded to all staff was \$723,214 of which \$495,813 comprised the fixed component of remuneration, and \$227,401 comprised the variable component. For these purposes, 'staff' is defined broadly, and includes, for example, employees of the Firm itself, directors and secondees.

STEWARDSHIP CODE

Rule 2.2.3R of the Financial Conduct Authority (“FCA”) Conduct of Business Sourcebook (“COBS”) requires an FCA authorised firm to disclose the nature of its commitment to the FRC’s UK Stewardship Code or, where it does not commit to the code, its alternative investment strategy.

Adherence to the Code is voluntary.

As an investment manager, the Firm endeavours to apply its approach on stewardship to all companies that we invest in on behalf of our clients. Our approach is consistent with the Firm’s overall aims, which are to provide good long-term performance to our clients and keep clients’ interests paramount.

The Firm monitors all investee companies as part of its general investment policy and approach. The Firm acts in line with its investment objectives where its research of publicly available information warrants such action.

However, our investments within UK investee companies are normally held in instruments that do not result in voting rights. Additionally, our main investment strategy is short term in nature and therefore results in limited or no interactions with these investee companies, nor do we consider that our clients would expect such engagement with regard to this particular investment strategy.

Where we have a right to vote in relation to investee companies, we will take decisions in the best interest of our investors and their long term interests and record what decisions we have taken in this respect. However, we do not normally make those decisions public.

Consequently, while the firm generally supports the objectives that underlie the Code, the provisions of the Code are not considered to be relevant to the activities currently undertaken by the Firm.

If the firm’s activities change in such a manner that the provisions of the Code become relevant, the Firm will amend this disclosure accordingly.

For further details on any of the above information, please contact via the following:

By phone: +44 207 016 8600

By email: info@dsampartners.com

By letter: Compliance Officer, DSAM Partners (London) Limited, 10 Albemarle Street, 5th Floor, London W1S 4HH.

SHAREHOLDER RIGHTS DIRECTIVE (“SRD II”)

While the Firm generally supports the objectives of the Shareholder Rights Directive (“SRD II”), our investments within EU investee companies are normally held in instruments that do not result in voting rights. Additionally, our main investment strategy is short term in nature and therefore results in limited or no interactions with these investee companies.

As such, we have made the decision not to comply with the requirements of the SRD II at this time. Moreover, the Firm ensures that all our clients are regularly and routinely apprised of the investment strategies employed by the Firm and as such, it is felt that our clients would not expect us to achieve compliance with the core requirements of the SRD II.

COMPLAINTS

In the context of the business of DSAM Partners (London) Limited (“DSAM” or “the Firm”) as an alternative investment fund manager (“AIFM”), “eligible complainants” are underlying investors in the alternative investment funds (“AIFs”) managed by DSAM who are individuals “acting for purposes which are wholly or mainly outside that individual’s trade, business, craft or profession”.

A “MiFID complaint” is separately defined by the FCA, and relates to the Firm’s MiFID business. A complainant for the purposes of the Firm’s MiFID business includes professional clients and eligible counterparties, as well as potential investors.

You should contact us if there are any aspects of the AIF management services, or MiFID business provided by DSAM that you are not satisfied with. You can do this in a number of ways:

By phone: +44 207 016 8600

By email: info@dsampartners.com

By letter: Compliance Officer, DSAM Partners (London) Limited, 10 Albemarle Street, 5th Floor, London W1S 4HH.

In the event that you are an eligible complainant, and we are unable to resolve your complaint to your satisfaction, you may also be entitled to refer your complaint to the Financial Ombudsman Service (“FOS”). The FOS is a UK agency for arbitrating on complaints between regulated firms and their clients. Full FOS details can be found on its website at www.financial-ombudsman.org.uk.

We take every complaint seriously and your complaint will be handled in accordance with the relevant FCA rules. DSAM has a written complaints handling policy, a copy of which is available from the Firm’s Compliance Officer upon request.