

Governance Arrangements and Management of Risk Framework

Astor Ridge

Introduction

Firms are required under the Senior Management Arrangements, Systems and Controls (SYSC) manual of the Financial Conduct Authority Handbook to have in place robust governance arrangements and effective procedures which allow it to identify, manage, monitor and report the risks it is or might be exposed to.

Astor Ridge is authorised and regulated by the Financial Conduct Authority and this document sets out how the Firm complies with its obligations to identify, manage and mitigate risks.

Governance and Risk Management Framework

The Managing Partners are responsible for the Firm's risk management governance structure and how the Firm's risk exposure must be managed in line with the Firm's overall business objectives and within its stated risk appetite. This includes the governance of the process for identifying, evaluating, managing and reporting the significant risks faced by the Firm.

Due to the size of the firm, risk is reviewed and managed on a constant basis, particularly market risk.

The Managing Partners are ultimately responsible for ensuring that the Firm maintains sufficient capital and liquidity resources to meet its regulatory capital and liquidity requirements and to support its growth and strategic objectives. Risk management is embedded throughout the business, with the overall risk appetite approved by the Managing Partners.

Business Objectives

Astor Ridge's Risk Profile

Astor Ridge has identified the following core risk categories: strategic, market, credit, liquidity, operational, legal, interest rate, excessive leverage and financial crime.

Astor Ridge's profile of these risks is continually evolving and is generally driven by:

- Changes to the market in which we operate;
- Astor Ridge's strategies and business objectives and;
- Astor Ridge's business/operating models

Astor Ridge will seek to generate positive returns through carefully considered risk taking and robust risk management. As such the effective management and control of both the upside of risk taking and its potential downside is a fundamental core competency of the Firm.

Risk Appetite

The Managing Partners are responsible for setting the Firm's risk appetite, defining the type and level of risk that the Firm is willing to accept in pursuit of its business objectives.

Three Lines of Defence

The Firm's governance structure is designed such that the business is the first line of defence, the compliance function is the second line of defence with the Managing Partners representing the third line of defence.

Risk Management Framework

The Managing Partners are responsible for approving the Risk Assessment Framework and Risk Register, which is used to ensure that the Firm has a comprehensive understanding of its risk profile, including both existing and emerging risks facing the Firm, and to enable it to assess the adequacy of its risk management in the context of the Firm's risk appetite.

Remuneration Policies

Astor Ridge's Remuneration Policy complies with the Remuneration Code in relation to its size, nature, scope and complexity of our activities.

The Policy is aligned to the Astor Ridge's business strategy, objectives, values and long term interests in respect of performance and effective risk management in line with the Firm's risk appetite.

A copy of the Firm's Remuneration Policy is available via our website and sets out how the Firm complies with the Remuneration Code.

Public Disclosure of return on assets

Astor Ridge will meet its reporting obligations by disclosing in its annual report and accounts a notice of its return on assets. Details of the average total assets can be found in the Report and Accounts published via our website.