



# RTS 28 Quality of Execution Annual Report

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**Firm:** Winton Capital Management Limited  
**Calendar Year Disclosure Period:** 01 January 2019 to 31 December 2019  
**Date:** 30 April 2020

Summary of classes of instruments included in this report, and class of instruments not included in this report (because the Firm has not executed client orders in that class of instrument):

Classes of instruments included in this report	Classes of instruments not included in this report
<ul style="list-style-type: none"><li>▪ Equities – Shares &amp; Depositary Receipts</li><li>▪ Interest rate derivatives</li><li>▪ Currency derivatives</li><li>▪ Equity derivatives</li><li>▪ Commodities derivatives and emission allowance derivatives</li><li>▪ Securities Financing Transactions</li></ul>	<ul style="list-style-type: none"><li>▪ Structured finance instruments</li><li>▪ Securitised derivatives</li><li>▪ Debt instruments</li><li>▪ Contracts for difference</li><li>▪ Exchange traded products</li><li>▪ Emission allowances</li><li>▪ Other instruments</li></ul>

Class of instrument	All included in this report	
	Summary of analysis	Conclusion
Close links, conflicts of interest and common ownership with respect to execution venues.	The Firm has no close links to report.	N/A
	The Firm has no conflicts of interest to report.	N/A
	The Firm has no common ownership to report.	N/A
Specific arrangements with execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received.	The Firm has a small number of volume-based clearing fee arrangements in place with certain execution venues.	These arrangements are not considered material and are consistent with delivering best execution to the Firm's clients.
Factors leading to a change in the list of execution venues listed in the order execution policy.	<p>The Firm's approved execution venues/brokers was changed during the reporting period. A number of factors are considered when reviewing the list, including:</p> <ul style="list-style-type: none"> <li>▪ The Firm's market access requirements</li> <li>▪ Quality of service, including execution and operational performance</li> <li>▪ Commercial competitiveness</li> <li>▪ Technology, including provision of execution algorithms</li> <li>▪ Creditworthiness</li> <li>▪ Reputation and financial stability</li> </ul>	The factors leading to such changes were applied on an objective basis, consistent with the Firm's Best Execution Policy and implemented in accordance with the Firm's governance framework.
Differentiation across client categories.	None – all the Firm's clients are professional clients.	N/A
Use of data / tools relating to quality of execution.	The Firm conducts its own evaluation of execution quality as governed by the Firm's Best Execution Committee; this includes proprietary cost modelling, benchmarking exercises and review of performance reports provided by brokers. The Firm monitors the effectiveness of its execution arrangements, assessing on a regular basis whether the venues/brokers listed provide the best possible result for the Firm's clients on a consistent basis, taking into account, among other things, regular in-house execution quality reports which are controlled and produced for the consideration of respective stakeholders.	The Firm believes that it met the obligation to achieve the best possible result for its clients on a consistent basis during the reporting period. Execution performance across venues/brokers was in line with expected costs and was achieved in accordance with its best execution policy & procedures.
Use of consolidated tape provider output.	The Firm has not used output from consolidated tape providers.	N/A

Class of instrument	Equities – Shares & Depository Receipts (i) Tick size liquidity bands 5 and 6	
General observations	During the reporting period, the firm placed all orders for this instrument class with third party brokers for indirect execution. Provision of market access is well established across brokers used by the Firm and execution is highly automated which results in low levels of operational processing issues. The Firm conducts ongoing monitoring with respect to the effectiveness of its order execution arrangements and detected no deficiencies during the reporting period for this instrument class. The Firm’s execution objectives allow for well qualified, data-driven evaluation of broker performance. The Firm periodically reviews commission rates and distribution to ensure they remain appropriate.	
	Summary of analysis	Conclusion
Execution factors	<p>The relative importance of the execution factors was determined by the following execution criteria:</p> <ul style="list-style-type: none"> <li>▪ Price.</li> <li>▪ Market coverage, provision of electronic access and competence.</li> <li>▪ Underlying strategy objective for the order.</li> <li>▪ Characteristics of the order.</li> <li>▪ Operational performance, including likelihood of settlement.</li> <li>▪ Cost.</li> </ul>	The relative importance given to the execution factors was in line with the Firm’s Best Execution Policy.

Class of instrument	Equities – Shares & Depository Receipts (ii) Tick size liquidity bands 3 and 4	
General observations	During the reporting period, the firm placed all orders for this instrument class with third party brokers for indirect execution. Provision of market access is well established across brokers used by the Firm and execution is highly automated which results in low levels of operational processing issues. The Firm conducts ongoing monitoring with respect to the effectiveness of its order execution arrangements and detected no deficiencies during the reporting period for this instrument class. The Firm’s execution objectives allow for well qualified, data-driven evaluation of broker performance. The Firm periodically reviews commission rates and distribution to ensure they remain appropriate.	
	Summary of analysis	Conclusion
Execution factors	<p>The relative importance of the execution factors was determined by the following execution criteria:</p> <ul style="list-style-type: none"> <li>▪ Price.</li> <li>▪ Market coverage, provision of electronic access and competence.</li> <li>▪ Underlying strategy objective for the order.</li> <li>▪ Characteristics of the order.</li> <li>▪ Operational performance, including likelihood of settlement.</li> <li>▪ Cost.</li> </ul>	The relative importance given to the execution factors was in line with the Firm’s Best Execution Policy.

Class of instrument	Equities – Shares & Depository Receipts (iii) Tick size liquidity bands 1 and 2	
General observations	During the reporting period, the firm placed all orders for this instrument class with third party brokers for indirect execution. Provision of market access is well established across brokers used by the Firm and execution is highly automated which results in low levels of operational processing issues. The Firm conducts ongoing monitoring with respect to the effectiveness of its order execution arrangements and detected no deficiencies during the reporting period for this instrument class. The Firm’s execution objectives allow for well qualified, data-driven evaluation of broker performance. The Firm periodically reviews commission rates and distribution to ensure they remain appropriate.	
	Summary of analysis	Conclusion
Execution factors	<p>The relative importance of the execution factors was determined by the following execution criteria:</p> <ul style="list-style-type: none"> <li>▪ Price.</li> <li>▪ Market coverage, provision of electronic access and competence.</li> <li>▪ Underlying strategy objective for the order.</li> <li>▪ Characteristics of the order.</li> <li>▪ Operational performance, including likelihood of settlement.</li> <li>▪ Cost.</li> </ul>	The relative importance given to the execution factors was in line with the Firm’s Best Execution Policy.

Class of instrument	Interest rate derivatives (i) Futures and options admitted to trading on a trading venue	
General observations	During the reporting period, the Firm placed all orders for this instrument class with third party brokers for indirect execution via their algorithms or limit orders, the Firm had direct control of order aggression for the latter. Provision of market access is well established across brokers used by the Firm and execution is highly automated which results in low levels of operational processing issues. The Firm conducts ongoing monitoring with respect to the effectiveness of its order execution arrangements and detected no deficiencies during the reporting period for this instrument class. The Firm's execution objectives allow for well qualified, data-driven evaluation of broker performance. The Firm periodically reviews commission rates and distribution to ensure they remain appropriate.	
Execution factors	<p style="text-align: center;">Summary of analysis</p> <p>The relative importance of the execution factors was determined by the following execution criteria:</p> <ul style="list-style-type: none"> <li>▪ Price.</li> <li>▪ Market coverage, provision of electronic access and competence.</li> <li>▪ Characteristics of the order.</li> <li>▪ Operational performance, including likelihood of settlement.</li> <li>▪ Cost.</li> </ul>	<p style="text-align: center;">Conclusion</p> <p>The relative importance given to the execution factors was in line with the Firm's Best Execution Policy.</p>
Use of DEA	<p>The list of top brokers for this class of instrument includes brokers who provide the Firm with direct electronic access to execution venues. The top 5 execution venues accessed by the Firm using DEA for this instrument class were:</p> <ul style="list-style-type: none"> <li>▪ Chicago Board of Trade</li> <li>▪ EUREX</li> <li>▪ Sydney Futures Exchange</li> <li>▪ Osaka</li> <li>▪ ICE</li> </ul>	

Class of instrument	Currency derivatives (i) Futures and options admitted to trading on a trading venue	
General observations	During the reporting period, the Firm placed all orders for this instrument class with third party brokers for indirect execution via their algorithms or limit orders, the Firm had direct control of order aggression for the latter. Provision of market access is well established across brokers used by the Firm and execution is highly automated which results in low levels of operational processing issues. The Firm conducts ongoing monitoring with respect to the effectiveness of its order execution arrangements and detected no deficiencies during the reporting period for this instrument class. The Firm's execution objectives allow for well qualified, data-driven evaluation of broker performance. The Firm periodically reviews commission rates and distribution to ensure they remain appropriate.	
	Summary of analysis	Conclusion
Execution factors	<p>The relative importance of the execution factors was determined by the following execution criteria:</p> <ul style="list-style-type: none"> <li>▪ Price.</li> <li>▪ Market coverage, provision of electronic access and competence.</li> <li>▪ Characteristics of the order.</li> <li>▪ Operational performance, including likelihood of settlement.</li> <li>▪ Cost.</li> </ul>	The relative importance given to the execution factors was in line with the Firm's Best Execution Policy.
Use of DEA	<p>The list of top brokers for this class of instrument includes brokers who provide the Firm with direct electronic access to execution venues. The top 5 execution venues accessed by the Firm using DEA for this instrument class were:</p> <ul style="list-style-type: none"> <li>▪ Chicago Mercantile Exchange</li> </ul>	

Class of instrument	Equity derivatives (i) Options and futures admitted to trading on a trading venue	
General observations	During the reporting period, the Firm placed all orders for this instrument class with third party brokers for indirect execution via their algorithms or limit orders, the Firm had direct control of order aggression for the latter. Provision of market access is well established across brokers used by the Firm and execution is highly automated which results in low levels of operational processing issues. The Firm conducts ongoing monitoring with respect to the effectiveness of its order execution arrangements and detected no deficiencies during the reporting period for this instrument class. The Firm's execution objectives allow for well qualified, data-driven evaluation of broker performance. The Firm periodically reviews commission rates and distribution to ensure they remain appropriate.	
	Summary of analysis	Conclusion
Execution factors	<p>The relative importance of the execution factors was determined by the following execution criteria:</p> <ul style="list-style-type: none"> <li>▪ Price.</li> <li>▪ Market coverage, provision of electronic access and competence.</li> <li>▪ Characteristics of the order.</li> <li>▪ Operational performance, including likelihood of settlement.</li> <li>▪ Cost.</li> </ul>	The relative importance given to the execution factors was in line with the Firm's Best Execution Policy.
Use of DEA	<p>The list of top brokers for this class of instrument includes brokers who provide the Firm with direct electronic access to execution venues. The top 5 execution venues accessed by the Firm using DEA for this instrument class were:</p> <ul style="list-style-type: none"> <li>▪ Chicago Mercantile Exchange</li> <li>▪ EUREX</li> <li>▪ Montreal</li> <li>▪ Osaka</li> <li>▪ Euronext</li> </ul>	

Class of instrument	Equity derivatives (ii) Swaps and other equity derivatives	
General observations	During the reporting period, the firm placed all orders for this instrument class with third party brokers for indirect execution. Provision of market access is well established across brokers used by the Firm and execution is highly automated which results in low levels of operational processing issues. The Firm conducts ongoing monitoring with respect to the effectiveness of its order execution arrangements and detected no deficiencies during the reporting period for this instrument class. The Firm's execution objectives allow for well qualified, data-driven evaluation of broker performance. The Firm periodically reviews commission rates and distribution to ensure they remain appropriate.	
	Summary of analysis	Conclusion
Execution factors	<p>The relative importance of the execution factors was determined by the following execution criteria:</p> <ul style="list-style-type: none"> <li>▪ Price.</li> <li>▪ Market coverage, provision of electronic access and competence.</li> <li>▪ Underlying strategy objective for the order.</li> <li>▪ Characteristics of the order.</li> <li>▪ Operational performance, including likelihood of settlement.</li> <li>▪ Cost.</li> </ul>	The relative importance given to the execution factors was in line with the Firm's Best Execution Policy.

Class of instrument	Commodities derivatives and emission allowances derivatives (i) Options and futures admitted to trading on a trading venue	
General observations	During the reporting period, the Firm placed all orders for this instrument class with third party brokers for indirect execution via their algorithms or limit orders, the Firm had direct control of order aggression for the latter. Provision of market access is well established across brokers used by the Firm and execution is highly automated which results in low levels of operational processing issues. The Firm conducts ongoing monitoring with respect to the effectiveness of its order execution arrangements and detected no deficiencies during the reporting period for this instrument class. The Firm's execution objectives allow for well qualified, data-driven evaluation of broker performance. The Firm periodically reviews commission rates and distribution to ensure they remain appropriate.	
	Summary of analysis	Conclusion
Execution factors	<p>The relative importance of the execution factors was determined by the following execution criteria:</p> <ul style="list-style-type: none"> <li>▪ Price.</li> <li>▪ Market coverage, provision of electronic access and competence.</li> <li>▪ Characteristics of the order.</li> <li>▪ Operational performance, including likelihood of settlement.</li> <li>▪ Cost.</li> </ul>	The relative importance given to the execution factors was in line with the Firm's Best Execution Policy.
Use of DEA	<p>The list of top brokers for this class of instrument includes brokers who provide the Firm with direct electronic access to execution venues. The top 5 execution venues accessed by the Firm using DEA for this instrument class were:</p> <ul style="list-style-type: none"> <li>• Chicago Mercantile Exchange</li> <li>• New York Mercantile Exchange</li> <li>• ICE</li> <li>• European Energy Exchange</li> <li>• Chicago Board of Trade</li> </ul>	

Class of instrument	Securities Financing Transactions	
General observations	During the reporting period, the Firm arranged all securities financing transactions via third party brokers. Such activity is sufficiently transparent to facilitate objective price and liquidity benchmarking which are primary determinants of venue selection. The Firm conducts ongoing monitoring with respect to the competitiveness of its financing arrangements and detected no deficiencies during the reporting period.	
	Summary of analysis	Conclusion
Execution factors	<p>The relative importance of the execution factors was determined by the following execution criteria:</p> <ul style="list-style-type: none"> <li>▪ Price.</li> <li>▪ Liquidity.</li> <li>▪ Market coverage, provision of electronic access and competence.</li> <li>▪ Operational performance, including likelihood of settlement.</li> </ul>	The relative importance given to the execution factors was in line with the Firm's Best Execution Policy.