



WINTON GROUP

Stewardship Code Disclosure 2019



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1 Introduction

Winton Group Limited (“Winton” or “Group”) comprises a number of entities, including Winton Capital Management Limited, which carries out investment advisory and fund management activities of the Group, and Winton Fund Management Limited, which provides certain fund management services.

Winton offers investment advice and fund management services to a number of Winton titled investment funds and managed accounts based on its quantitative investment strategies.

Winton’s investment approach, as a quantitative investment manager investing in more than 6,000 stocks globally, does not typically involve subjective assessments of underlying companies, or direct contact with the companies in which it invests. As such, certain aspects of the Financial Reporting Council’s UK Stewardship Code (“Code”) are not applicable to Winton.

Detailed below is an overview on how, and the extent to which, Winton’s investment activities are aligned with the principles of the Code.



2 The Principles

2.1 Principle 1

Institutional Investors should publicly disclose their policy on how they will discharge their stewardship responsibilities.

Winton's position on Principle 1

Key aspects concerning the way in which Winton encompasses its stewardship responsibilities into its investment process are set out in this disclosure.

Further details on Winton's approach to Environmental, Social and Corporate Governance ("ESG") factors are set out in its Corporate Social Responsibility Statement, available on Winton's website¹, and its Due Diligence Questionnaire, which is available to investors and potential investors on request.

2.2 Principle 2

Institutional Investors should have a robust policy on managing conflicts of interest in relation to stewardship and this policy should be publicly disclosed.

Winton's position on Principle 2

Winton maintains a comprehensive Conflicts of Interest policy, as part of its Code of Ethics, which is designed to ensure that Winton and its employees act in the best interests of its clients.

The Conflicts of Interest policy identifies circumstances that may give rise to an actual or potential conflict of interest and aims to ensure that all potential and actual conflicts are identified, recorded, managed and monitored appropriately.

Winton does not anticipate any conflicts in its proxy voting practices. In the event that it directs a vote, Winton's Compliance department will evaluate the recommendation for any potential conflict of interest and will maintain documentation related to the voting decision.

The Code of Ethics, including the Conflicts of Interest policy, is available to investors on request.

¹ www.winton.com



2.3 Principle 3

Institutional investors should monitor investee companies.

Winton's position on Principle 3

Winton's investment approach, as a quantitative investment manager, is systematic with investment decisions in respect of equities primarily based on the public information disclosed by investee companies, including but not limited to share price, financial statements, board membership, etc. As such information changes, Winton's investment decisions are updated. Daily investment decisions are generated, within the investment strategy's risk objectives, using updated return and volatility forecasts among inputs from Winton's correlation and cost models. Investment decisions are generated in this way, other than in rare instances where the Investment Board deems the circumstances to be exceptional. Winton does not invest in companies with a view to actively intervening in their management.

2.4 Principle 4

Institutional Investors should establish clear guidelines on when and how they will escalate their stewardship activities.

Winton's position on Principle 4

As an established investment manager with a significant equities business, Winton recognises the importance of playing an active role in corporate governance. Winton participates via proxy voting in the AGMs and EGMs of companies held in the portfolios it advises, where authority to vote proxies has been delegated to Winton. The operational aspects of voting are outsourced to ISS Europe Ltd ("ISS"), a leading corporate governance research and proxy voting provider, and votes are processed according to an agreed voting policy.

2.5 Principle 5

Institutional Investors should be willing to act collectively.

Winton's position on Principle 5

Winton does not object in principle to collective action by investors and may be prepared to consider collective action on a case-by-case basis, where appropriate, and permitted by law and regulation. However, in normal circumstances, Winton will make voting decisions as advised by its external proxy voting provider.

2.6 Principle 6

Institutional Investors should have a clear policy on voting and disclosure of voting activity.

Winton's position on Principle 6

A number of Winton's clients, including the Winton titled funds and a number of the managed account clients that trade cash equities, have delegated proxy voting to Winton.



Winton has engaged ISS to provide proxy voting guidelines and to vote proxies. ISS is an unaffiliated service provider that assists institutional investors in meeting their fiduciary requirements for proxy voting. ISS aims to design its proxy voting guidelines to enhance shareholders' long-term economic interests. ISS votes proxies for Winton clients in accordance with its Sustainability Policy, which seeks to promote support for recognised global governing bodies promoting sustainable business practices advocating for stewardship of environment, fair labour practices, non-discrimination, and the protection of human rights.

Although Winton will generally rely on the recommendations of ISS, Winton retains the right to exercise its discretion in voting proxies and may vote proxies in a manner other than that specifically set out by ISS. There may also be circumstances where Winton does not vote proxies, such as when there are legal encumbrances to voting.

Winton's proxy voting policy and a record of all proxy votes cast on behalf of its clients are available to investors on request.

2.7 Principle 7

Institutional Investors should report periodically on their stewardship and voting activities.

Winton's position on Principle 7

Details of Winton's proxy voting activity is recorded and made available to investors on request.

For any queries in relation to the Stewardship Code, please contact compliance@winton.com.