WINTON

30 JUNE 2025

Task Force on Climate-Related Financial Disclosure

Entity Level Report

Winton Capital Management Limited

1. Introduction

1.1 Background

The UK Financial Conduct Authority ("**FCA**") mandates climate-related disclosures for UK asset managers, aligned with the Task Force on Climate-related Disclosures ("TCFD") recommendations. These rules, outlined in Chapter 2 of the FCA's ESG Sourcebook ("TCFD Rules"), require entity-level disclosure.

This report, prepared by Winton Capital Management Limited ("WCM"), covers assets managed by WCM for alternative investment funds (AIFs), managed accounts, and Winton UCITS Fund ICAV sub-funds ("UCITS"), collectively termed the "Portfolios." Product-specific disclosures are available on request. This report covers four key areas in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (the "**Task Force**")[1] :

- **Governance:** Governance framework for climate-related issues.
- **Strategy:** Climate-related strategy related to the Portfolios.
- **Risk Management:** WCM's risk management framework and its relevance to climate-related risks.
- **Metrics and Targets:** Aggregated climate-related disclosures for the Portfolios.

2. Governance

2.1 Senior Management Oversight

WCM is a wholly owned subsidiary of Winton Group Limited ("**Winton**"). Winton's governance arrangements are consolidated at the parent level through the Winton Group Board, the Executive Management Committee (the "**EMC**") and other key meetings. The EMC has responsibility for the implementation of the commercial strategy and the oversight of the investment management activities and risk, as well as the deployment of technology.

Environmental, Social and Governance ("**ESG**") matters have been delegated to an ESG Committee which is chaired by Winton's Chief Operating Officer. The ESG Committee is responsible for overseeing the implementation of Winton's ESG strategy, including climate-related issues and reviewing the effectiveness of processes, policies and procedures where relevant to ESG matters. The ESG Committee reviews climate-related issues, including the metrics related to TCFD disclosure as an annual agenda item.

The ESG Committee has assigned responsibility for the implementation of ESG matters to the appropriate teams:

Topics	Implementation	Oversight
Accountability and responsible implementation	Co-CIOs and Investment Management	ESG Committee
Industry engagement	ESG Committee	
Asset selection: investment signals	Co-CIOs and Investment Management	
Asset selection: negative screening	Investment Operations	
Asset selection ESG-related exposure	Co-CIOs and Investment Management	
Asset ownership	Investment Operations and Compliance	

Further information on Winton's approach to these topics and their relevance to the Portfolios is described in WCM's Responsible Investment Policy.

[1] https://assets.bbhub.io/company/sites/60/2021/10/FINAL-2017-TCFD-Report.pdf

3. Climate Strategy

3.1 Investment Management

WCM employs systematic investment strategies spanning global equities, fixed income, commodities and currencies traded via cash and derivative instruments. Under 10% of assets under advisement are in areas where ESG integration is more developed, namely long equity and corporate bonds..

WCM's Responsible Investment Policy describes how the integration of ESG and climate-related considerations is at an earlier stage of maturity in many of the types of strategies that are applied by WCM, including those that trade derivatives across government bonds, commodities and currencies, both long and short.

Currently, the Portfolios do not target ESG or climate-related objectives. For example, the AIFs and UCITS managed by WCM are categorised as Article 6 funds under the Sustainable Finance Disclosure Regulation and therefore do not promote environmental or social characteristics and do not have a sustainable investment or a reduction in carbon emissions as their objective.

In respect of the managed accounts, clients can request portfolio customisation to reflect specific climate preferences and WCM can tailor exposures or constraints accordingly.

The ESG Committee keeps industry, regulatory and client-related initiatives and developments under review and considers how these may guide the firm's climate strategy in respect of the management of the Portfolios or the design of new products.

3.2 Risks and Opportunities

The Task Force divides climate-related risks into two major categories: 1) risks related to a lower-carbon economy and (2) risks related to the physical impacts of climate change. The Task Force also considers climate-related opportunities associated with efforts to mitigate and adapt to climate change; for example, through resource efficiency and cost savings, the adoption of low-emission energy sources, the development of new products and services, access to new markets, and building resilience along the supply chain.

The Task Force is focused on how companies are impacted and are exposed to these risks and opportunities. WCM has considered these risks and opportunities in relation to long positions in equities and corporate bonds, which as described above, currently represents under 10% of the Portfolios' investment exposure.

The Portfolios' exposure to individual companies is highly diversified and comprises many small positions across a wide range of companies and industries, with position and sector limits mitigating concentration risk. Moreover, these positions evolve in response to a range of technical and fundamental data inputs and are hedged with offsetting positions in other corporate securities and/or index futures to produce a market-neutral investment profile. Together, these portfolio characteristics suggest that the Portfolios are not materially exposed to particular companies or sectors that would result in material impact on the value of the assets.

However, industry and market developments associated with climate-related risks and opportunities may result in WCM's research process identifying investment signals related to these themes and the Co-CIOs and the Investment Management function will review such developments.

4. Risk Management

4.1 Integration of Climate-Related Risks

As a systematic investment manager, the day-to-day management of portfolio risk is inseparable from the portfolio management function. Setting the level of leverage, internal risk limits, allocations and exposures across the quantitative investment strategies is the role of the Co-CIOs and the Investment Management team, including the Portfolio Risk function.

Given the nature of WCM's investment strategies, as described in Section 3, climate-related risk is not specifically a factor that is integrated into WCM's investment decision or investment risk process. Climate-related risk is generally managed as part of the overall risk management process which is designed to ensure that investment strategies are diversified and do not hold concentrated positions which mitigates the risk that any specific ESG or climate-related event or condition will have a material negative impact on the overall value of the Portfolios.

5. Metrics and Targets

5.1 Targets

WCM's Portfolios do not target ESG or climate-related objectives and the firm has not set ESG or climate-related targets. The ESG Committee reviews climate-related metrics, benchmarks these against relevant peers and seeks to understand the drivers behind metrics that may be outliers.

5.2 Information about the Metric

In accordance with the UK Financial Conduct Authority's ESG Sourcebook and the Task Force on Climate-related Financial Disclosures (TCFD) recommendations, we disclose the Weighted Average Carbon Intensity (WACI) of Scope 1 and 2 greenhouse gas emissions attributed to WCM's long only exposure to corporate equities and bonds. Carbon dioxide emissions are sourced for corporate issuers from Sustainalytics. These emissions are reported by companies annually or in some cases estimated by Sustainalytics and is calculated by attributing emissions in proportion to portfolio notional exposure and normalising by issuer revenue.

Portfolio Coverage and Exclusions

This metric covers less than 10% of WCM's overall portfolio notional exposure as it applies only to direct (i.e. cash security) positions in corporate equities and bonds for which consistent carbon emissions and financial data are available. The following are excluded from this metric.

- Short Positions: Emissions associated with short positions are excluded. Shorting does not represent ownership or financing of issuers and there is no established regulatory requirement to report associated emissions. This approach is consistent with the practice of many alternative asset managers and aligned with industry guidance.
- Derivatives: Single-issuer derivatives (e.g. equity swaps or credit default swaps) are also excluded from this metric. Currently, no widely accepted methodology exists for emissions attribution through derivative instruments and their inclusion could result in methodological inconsistencies or double counting.
- Scope 3 Emissions: Scope 3 emissions are currently excluded due to limited reliability and comparability of data. WCM will continue to monitor developments in Scope 3 data availability.

5.3 Emissions from Direct Exposure as at December 2024:

Metric	Long Positions
WACI, scope 1 and 2 (tCO2e/mil USD revenue)	102.4

6. Compliance Statement

6.1 Confirmation of Compliance

The Chief Compliance Officer (SMF16 and SMF17) confirms that this report has been prepared in accordance with the requirements in the TCFD Rules:

Adam Waghorn

Chief Compliance Officer

Important Information