Our 2020 report includes three core sections reflecting what we believe our clients expect to see us report upon:

- How sustainable investment is integrated into our philosophy, process and portfolios
- How we affect stewardship over the investments we make on our clients’ behalf
- Our future plans in the sustainable investment space

We present a core report covering three main areas of sustainable investment, supported by active links within the text and a wealth of further material in the appendices.

Sustainability reporting is an evolving area with expectations varying across the globe. With improving data, greater transparency and changing regulatory requirements, we expect our reports to evolve over time.
A word from our CIO

We are living in extraordinary times. The spread of the COVID-19 pandemic has impacted many around the globe and sadly we have seen a tragic loss of life and livelihoods. In their attempt to control the spread of the virus, many governments have had to close borders and introduce lockdowns, shutting down many industries, and significantly impacting economies. Despite coordinated central banks and government stimuli, we have seen market turbulence, with many asset classes experiencing significant losses and increased volatility.

The virus has unraveled how vulnerable and interconnected our lives and economic systems are. The question now is, how will this crisis impact the longer term trajectory of our societies, communities and industries? Will we go back to business as usual, or will we learn and evolve from this experience towards a more sustainable future? Navigating uncertain and difficult times requires clarity and conviction in your purpose and beliefs – and sustainability is central to ours. We believe the call to sustainable investment is stronger than ever, mapped to a more purposeful investment industry.

Sustainable Investment (SI) describes long-term, finance-driven strategies that integrate environmental, social and corporate governance (ESG) factors, effective stewardship and real-world impact in investments. At Willis Towers Watson, we believe that the principles underlying SI form the cornerstone of a successful long-term investment strategy. Our funds look to reflect our sustainability beliefs.

We believe sustainability risks tend to be inaccurately appreciated by the market. Taking them into consideration can materially improve portfolio risk and return profiles; they enhance risk management and can help identify more and better opportunities. All of this should ultimately improve long-term outcomes for our clients, as well as, importantly, having a positive impact on a wider set of stakeholders.

This annual report documents how sustainability is integrated into our investment approach, starting from the foundational beliefs that guide our objectives, thinking and behavior as an organisation through to the actions we have been taking to live those beliefs at a business and specific fund level.

As the report will demonstrate, we are committed to being at the forefront of sustainable investing and implement this philosophy through a number of strands, including stewardship, manager research, selection and monitoring, capital market research, portfolio construction and risk management, as well as through public policy engagement and advocacy.

Our not-for-profit innovation hub – the Thinking Ahead Institute (TAI) – together with our Climate Risk and Resilience hub and the Willis Research Network (WRN) play an important role in developing and socializing our work on sustainability, bringing together leading practitioners, academics and organisations to complement and leverage our thinking.

You can find more here:

Delegated Sustainable Investment Policy
Sustainable investment webpage
Thinking Ahead Institute
Climate Resilience and Risk hub
Willis Research Network

Craig Baker
Chief Investment Officer
Integration

As a fiduciary we have a responsibility to act in the best interest of our clients. Our funds look to comprise the best of our investment research, return generation and risk management ideas, within which SI is a central tenet.

To fulfill our responsibilities, we think and aim to act like a leading asset owner and a responsible market participant. We leverage the breadth of our specialized investment teams to integrate SI principles into all areas of our decision-making process and client portfolios. One of our core investment beliefs (copied overleaf) is specifically geared to SI.

As highlighted overleaf, within the broad remit of SI, we have identified climate change as a critical and systemic priority, given the risk it presents to our clients’ investments, together with the ongoing resilience of the savings universe, and the planet as a whole.

Building on these foundations, we look to integrate SI across all aspects of what we do, with particular focus on:

- macroeconomic and asset research
- manager research
- portfolio construction and management.

We bring all this together in a Total Portfolio Approach (TPA) which helps to fully integrate sustainability in building the best quality portfolios possible for each client context. We explore these areas in more detail on the next page.
Sustainable investment is central to successful long-term investor outcomes

- Sustainable investing is about employing long-term strategies that integrate environmental, social and corporate governance (ESG) factors and effective stewardship, with regard for the impact on society and the planet now and in the future, recognizing that this influences both risk and return.
- Sustainability risks tend to be inaccurately appreciated by the market. Investors should look to use information and implementation advantages to improve long-term outcomes by avoiding unrewarded risk, seeking opportunities, undertaking effective stewardship and managing impact.
- Collaborative engagement and advocacy are important to give the investment industry a stronger voice and improve investment outcomes for all participants.
- Climate change, and a just transition to net zero carbon emissions, is a systemic and urgent global challenge which necessitates specific risk management, opportunity identification and collective action.

Asset research

Our asset research team forms capital market and economic views, including on sustainability risks and opportunities, long-term themes and trends, and current market pricing dynamics. Our portfolio managers use this research to build diversified exposures for our clients, and also to manage these dynamically over time. They engage with our asset and manager research teams to understand and incorporate their research, to help our portfolios integrate SI effectively and enable opportunities to be identified in a timely manner.

To give an example of some of our research in this area, we collaborated with the Principles for Responsible Investment (PRI) to produce a megatrends risk index and report, combining proprietary research and insights from over 300 industry participants (across asset managers, asset owners and service providers) to identify the key long-term and emerging themes of; environmental challenge, society and demographics, globalization and connectivity, emerging economy growth, and dynamism and technological advances. This research helps inform our analysis and engagement with clients on topics linked to sustainability. The report is available [here](#).

We recognise that long-term themes may create return opportunities, which we can access in numerous ways. It is often within our private markets allocations that we can get the most targeted exposures, which have included investments in medical training, renewable energy, waste-to-energy, sustainable agriculture, specialist and adapted social housing, and cybersecurity.
Manager research

Where ESG factors are most likely to influence investment risk and return, we encourage and expect fund managers to have a demonstrable process in place that identifies and assesses material ESG factors and the impact on their investment strategy and end portfolio. We explore how they identify, assess and act on the sustainability risks inherent in their portfolio. The degree to which these risks are relevant to any given strategy is a function of time horizon, investment style, philosophy and particular exposures which we take into account in our assessment. Where sustainability themes could realistically impact asset prices over the possible holding period we expect managers to reflect this in their investment thesis, financial models and/or ownership activities. Clear thinking on sustainability risks and opportunities may also influence a manager’s portfolio construction and risk assessment processes.

Our manager research explicitly and formally includes an assessment of a manager’s approach to SI, and that assessment is reflected within our overall rating. We assess our highest rated managers’ strategies on their respective SI characteristics, with a detailed Sustainable Investment Report produced and reviewed by the manager research team. These reports also form part of the ongoing portfolio monitoring, with a particular emphasis on any weaknesses identified and the engagement plan for addressing them.

We assess asset managers’ SI practices, including the approach to ESG integration within the investment process through desk-based research and direct dialogue with managers. In so doing, we are mindful of applicable best practice standards and consider the manager’s size, resources, market position, asset class and, investment philosophy when determining overall views rather than applying a ‘one size fits all’ approach.

Input to the manager research
Sustainable Investment Report

- SI questionnaire covering:
  - ESG integration (policies in place, frequency of review, responsibility and ownership, resources, experience, integration in the process)
  - Execution of stewardship rights (engagement and voting, supported by examples)
  - Topical questions (recent focus on climate change – stranded asset risk, Task Force on Climate-related Financial Disclosures (TCFD) and transition risk)
  - Structured Assessment Method (SAM) tool – used to assess managers against key characteristics we look for in skilled investors, including team diversity (gender, ethnicity, number of languages spoken, non-investment background)

- Meetings with asset managers
- Interaction and collaboration with other groups such as PRI and ShareAction

Our manager research explicitly and formally includes an assessment of a manager’s approach to SI, and that assessment is reflected within our overall rating.
We recognise that different sustainability factors can have varying degrees of relevance and impact across the asset classes we cover, including public and private equity, credit, reinsurance and real assets, such as real estate, infrastructure, agriculture and water. The process is therefore tailored to individual strategies.

For example, in listed equities we particularly emphasize voting and corporate engagement activity. In real estate, we focus more on specific ESG practices as applied to individual assets, and how these are stewarded over time. Within credit, there is strong evidence that poor corporate governance negatively impacts the credit worthiness of a firm or a securitisation, including the ability to access the capital markets, therefore a critical part of a manager assessment is understanding their ability to assess governance-related risks at their respective issuers.

Combining this manager scrutiny with macroeconomic and market research leads to the identification of compelling investment opportunities, which we look to access in cost-effective ways, often partnering with skilled managers to develop or customize strategies for our client base.

**Real Assets case study:**
Controlled greenhouses – North American advanced agriculture

**Real Assets case study:**
Vulnerable housing – Investment in temporary homeless accommodation
**Portfolio level**

Our portfolio construction process focuses on maximizing portfolio quality, as evaluated through a number of “lenses”, including sustainability. This helps us to build robust, diversified portfolios that aim to meet our clients’ risk and return requirements, and looks to ensure our portfolios are resilient to a range of sustainability-related issues and/or able to take advantage of sustainability-related opportunities.

SI is incorporated into our portfolio management process through a number of avenues. An important part of our framework for doing this is to assess sustainability through two dimensions:

1. **Portfolio Resilience**: Exposure of the portfolio to sustainability-related risks

2. **Manager SI integration**: The extent to which, and success with which, sustainability is incorporated into the decisions made by managers in the portfolio

In assessing resilience, we seek to identify the sustainability issues relevant to business, regulators, and society that are most financially material to a portfolio. We apply an industry-level assessment of materiality across the portfolio by mapping the exposure of different securities and asset classes to various parts of the economy and then to these material risks. We also incorporate ESG ratings to assess the magnitude of positive or negative exposure to these issues for individual assets and the total portfolio. A risk exposure score expressed as a percentile relative to potential scores that could be achieved is the end result (see Figure 1), which can be compared against a portfolio benchmark and/or peer comparator. A fund achieving a low score (i.e. low exposure to material risks) is expected to be less impacted by disruptive sustainability trends over the long term.

---

**Figure 1: Risk exposure score (illustrative)**

<table>
<thead>
<tr>
<th>Sleeve</th>
<th>% portfolio</th>
<th>Sustainability Risk Exposure Score (absolute)</th>
<th>Sustainability Risk Exposure Score (relative)</th>
<th>Risk exposure contribution</th>
<th>Marginal risk exposure impact (5% shift)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asset Class 1</td>
<td>9.0%</td>
<td>0.00</td>
<td>0.00</td>
<td>0.0%</td>
<td>-1.34</td>
</tr>
<tr>
<td>Asset Class 2</td>
<td>20.7%</td>
<td>4.86</td>
<td>44.04</td>
<td>33.9%</td>
<td>0.86</td>
</tr>
<tr>
<td>Asset Class 3</td>
<td>2.3%</td>
<td>4.99</td>
<td>46.81</td>
<td>4.0%</td>
<td>1.00</td>
</tr>
<tr>
<td>Asset Class 4</td>
<td>12.0%</td>
<td>3.83</td>
<td>37.88</td>
<td>16.9%</td>
<td>0.55</td>
</tr>
<tr>
<td>Asset Class 5</td>
<td>12.0%</td>
<td>1.23</td>
<td>16.66</td>
<td>5.2%</td>
<td>-0.76</td>
</tr>
<tr>
<td>Asset Class 6</td>
<td>22.0%</td>
<td>1.78</td>
<td>16.90</td>
<td>13.8%</td>
<td>-0.50</td>
</tr>
<tr>
<td>Asset Class 7</td>
<td>11.0%</td>
<td>3.30</td>
<td>22.25</td>
<td>9.1%</td>
<td>-0.23</td>
</tr>
<tr>
<td>Asset Class 8</td>
<td>11.0%</td>
<td>4.62</td>
<td>41.41</td>
<td>17.0%</td>
<td>0.73</td>
</tr>
<tr>
<td>Asset Class 9</td>
<td>0.0%</td>
<td>3.82</td>
<td>28.85</td>
<td>0.0%</td>
<td>0.10</td>
</tr>
<tr>
<td>Asset Class 10</td>
<td>0.0%</td>
<td>3.97</td>
<td>30.45</td>
<td>0.0%</td>
<td>0.18</td>
</tr>
<tr>
<td><strong>Total Portfolio</strong></td>
<td><strong>9.0%</strong></td>
<td><strong>2.99</strong></td>
<td><strong>26.86</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Benchmark</strong></td>
<td></td>
<td><strong>4.69</strong></td>
<td><strong>41.94</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Peer comparator</strong></td>
<td></td>
<td><strong>4.23</strong></td>
<td><strong>37.51</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Our tools look at different metrics and summarize these in an overall benchmarked assessment of the portfolio. This sustainability scorecard includes:

- **Materiality heatmap** showing which sustainability-related issues are likely to be financially material for the portfolio.
- **Portfolio resilience score** showing the degree of risk exposure of the portfolio to each sustainability-related issue and an attribution of this to different parts of the portfolio.
- **Carbon analytics** showing the carbon intensity of the portfolio and corresponding metrics for different parts of the portfolio.
- **Top down climate scenario analysis** showing the expected impact on long-term expected portfolio returns of the two climate scenarios that we have developed: global co-ordinated action (broadly in line with a 2°C post-industrial temperature increase) and lowest common denominator/“business as usual”.
- **Bottom up industry analysis** showing the exposure of the portfolio to the key climate-related industry risks and opportunities under a 2°C scenario.
- **Manager sustainable investment ratings** as detailed in the previous sub-section.

Given the prioritization of climate change in our investment beliefs, this is a key focus of our portfolio construction process – understanding our risk exposures and looking to reduce them through time, as well as identifying and investing effectively in the opportunities. This occurs both through top-down identification and analysis of climate-impacted sectors for investment, as well as the bottom-up contribution of each manager’s exposure to these.
We believe exercising stewardship rights and responsibilities is a powerful way to protect and enhance the value of assets for beneficiaries, the economy and society, and is central to the success of any long-term investment plan. Find out more [here](#).

We apply stewardship through a number of mechanisms, including as part of our manager research and ongoing engagement, via a specialist stewardship overlay with EOS at Federated Hermes (EOS), and via collaborative initiatives and advocacy.
Manager research

Due diligence and manager selection
When selecting investment managers, we assess, in the context of the strategy, their capabilities and practices around ESG issues and stewardship activities as an integral part of our overall view of the strength of the manager. This process is formally integrated into our deep due diligence and monitoring of managers.

We believe that effective stewardship is good practice that helps protect and enhance long-term value. We also see transparency as an important aspect of good stewardship. As such, we expect asset managers to support and comply with local stewardship codes (for example, the UK Stewardship Code).

Monitoring and manager engagement
We monitor the SI credentials of investment managers and review their policies and actions. We expect investment managers to undertake appropriate ESG integration and stewardship activities to the extent that it is practical and relevant in the context of their size, asset class and investment approach.

Where we feel that managers can and should make some improvements, we will engage in a two-way dialogue with them. This aligns with our objectives as a business to change investments for the better and provide the best solutions for clients.

Global Equities case study:
Manager engagement – improving ESG integration and asset stewardship

As part of our ongoing research and contact with managers, we identify areas of concern and will highlight these to the manager, alongside the rationale for our concerns and suggestions of actions they can take to alleviate our concerns. We encourage the manager to resolve these issues within a reasonable window, typically around 12 months. Should there be little or no change, we will engage with them further to understand the rationale for the lack of progress and may take steps to review our rating for the strategy in question which may, in turn, impact our client investment portfolios.

Emerging Market Equities case study:
Corporate governance – risk trigger review and manager downgrade

willistowerswatson.com

Sustainable Investment Report 2020 10
EOS at Federated Hermes (EOS) is a highly regarded specialist stewardship provider who engages with and provides voting advice on companies held in our public equity portfolios. EOS also carries out public policy engagement and advocacy on behalf of all of our clients.

Within our public equity funds, we delegate voting rights and the execution of those rights to our managers for the securities they hold. Many of our managers also actively engage with the companies in which they invest. To add additional insights and rigor to the stewardship activities, we have appointed EOS to provide voting advice to the asset managers and to engage with the companies on our and their behalf, or in collaboration with them.

EOS also undertakes public engagement and advocacy on our and our clients’ behalf, working with policy makers and institutions around the world to better ensure policies and standards are aligned with the interests of investors and best meet the needs of the end savers.

For further details on EOS, their corporate engagements, voting advice and public policy work, please visit their website.

**Collaboration**

Collaborative initiatives and activities are very important to give the investment industry a more powerful and effective voice. We encourage managers to participate in these initiatives.

One such initiative is Climate Action 100+, which we view of particular importance given our belief of the scale and urgency of addressing climate change. It is an investor initiative aiming to ensure the world’s largest corporate greenhouse gas emitters take necessary action on climate change. It targets 161 companies globally.

EOS is among over 370 investors with over $35tn under management who have signed up to the initiative. Further, they are leading or co-leading the engagement on 27 companies and collaborating with other investors on another 14 companies as part of this initiative.
Willis Towers Watson collaborations

Given our strong conviction about the power and importance of collaborative engagement and advocacy, and recognizing the significant role we play in the investment chain, we believe that promoting resilient and well-functioning economic and investment markets is consistent with our fiduciary duty and with our aim of changing investment for the better. We do this in a number of ways, including engaging in a dialogue with regulators and policymakers, and participating in the work of industry bodies and collaborative investor initiatives, to promote high industry standards and effective investment markets.

Below are some of the many internal and external initiatives and partnerships in which Willis Towers Watson is engaged to achieve long-term SI:

- The Thinking Ahead Institute (TAI) – a global not-for-profit innovation hub, which aims to mobilise capital for a sustainable future. Its membership includes over 40 institutional asset owners and service providers committed to changing and improving the investment industry for the benefit of the end saver.

- The Willis Research Network (WRN) – a collaboration between academia and our insurance and reinsurance experts that currently involves over 50 science partners worldwide. WRN seeks to integrate public science with the risk management community to enhance our collective ability to understand, evaluate and manage climate risk (including extreme natural catastrophes, climate variability and emerging risks) and to provide credible scientific expertise to improve decision-making across the industry.

- Principles for Responsible Investment (PRI) – we are a signatory to the PRI, and further information and our annual Transparency Report can be found at www.unpri.org.

- UK Stewardship Code – we are a Tier 1 signatory, and we encourage and help our clients to adhere to its guidelines. Further information can be found at www.frc.org.uk

- The Diversity Project – we are founder members of this investment industry initiative which aims to attract and retain diverse talent in the industry.

- Transition Pathway Initiative (TPI) – we are official supporters of this global investor initiative that assesses companies’ preparedness for transition to a low-carbon economy. Led by asset owners and academic research from the Grantham Research Institute and London School of Economics, TPI is supported by more than 50 investors globally with combined assets over $15 trillion (as at October 2019).

- Institutional Investors Group on Climate Change (IIGCC) – we are members of this investor collaboration with a mission to mobilise capital for the low carbon transition. It has more than 190 members, across 15 countries, with over $31 trillion in assets under management (as at October 2019).

- Coalition for Climate Resilient Investment – we founded a public/private coalition, together with the World Economic Forum and launched at the UN Climate Summit in September 2019, aimed at improving climate resilience in investment decision-making. Find out more here.

Click here for a full list of the many initiatives in which Willis Towers Watson is involved.
Future plans

We recognise that effective reporting plays a critical part in helping investors achieve their ultimate objectives. We also recognise that the pace of change in SI is both fast and accelerating. Indeed, reporting is central to this evolution, as it connects and engages different stakeholders, and provides insights into investment portfolios and decisions.

Our commitment is to be at the forefront of SI, and we are therefore looking to develop and enhance our reporting in this area to provide our clients, as well as other stakeholders, with the most useful information possible. In the coming year and beyond, some of the major developments we envisage are:

- Improved metrics and targets
- Real-world outcomes and impact
- Standardisation

Improved metrics and targets

It is obvious to say, but the metrics and information disclosed in investment reports need to be accurate and meaningful to people using those reports. There has been a lot of progress on sustainability data quality, and it will continue to improve rapidly. But critical to further improvement will be the engagement of investors: interrogating the data, pushing for greater disclosure, seeking more consistency, and gaining greater experience in using it for portfolio decisions.

One of the key developments will be in ensuring the metrics used are the most investment-relevant, and not just based on data that is easiest to find. As our reporting evolves, the emphasis will continue to be on metrics that give material insights into portfolio quality, risk management and opportunity identification.

A further evolution though is complementing these metrics with meaningful targets that give real focus and energy to managing sustainability risks and opportunities effectively.

And these targets should also be ambitious. Ambitious to reflect the importance of sustainability, and ambitious to reflect the scale and urgency of the sustainability challenges that investors and society in general face – particularly in climate change.
Real-world outcomes and impact

Impact has been growing in prominence and will continue to do so, because it reflects the fact that investment has always been a three-dimensional challenge (risk, return and impact) even though it has historically often only been treated as two-dimensional (risk and return). Impact connects investment to the real world, its true societal purpose, and its potential for meaningful value creation.

The need to consider risk, return and impact in portfolios and investment decisions requires, amongst much else, good quality data and metrics. We have started to include impact metrics and disclosures in our reporting, particularly in our real asset and secure income portfolios, and expect to see the coverage get broader and deeper.

The consideration of real-world outcomes applies across investment activities and is certainly an increasing focus for stewardship. Here we see – and very much welcome – the market expectation shifting from policy and process to activities and outcomes, and we will look to reflect that more and more in our reporting.

We have written previously on the importance of stewardship in the investment industry, its current lack of resources and how it receives far less attention and priority than it deserves. One of the valuable aspects of reporting is the discipline that measurement, metrics and scrutiny often brings, and we expect, and will encourage, that to be the case for stewardship. We are very supportive of the updated UK Stewardship Code and look forward to reporting against that in 2021.

Standardization

Of the elements that are said to be holding back SI’s progress, the lack of standardized reporting and disclosure is often high on people’s lists. However, the improvements being made here are encouraging, and the direction of travel is clear. We absolutely support the efforts being made on standard-setting, taxonomy, and disclosure frameworks, and will adopt the agreed best practices as they emerge in different areas. We will also be active participants in these developments, not least through some of the collaborative initiatives described earlier.

However, we cannot wait for these to be fully settled before doing anything, and we see our reporting in that context. It will adapt and evolve. It will improve. Our guiding principles will continue to be presenting information that is as meaningful and decision-useful as possible, meeting or exceeding the needs and expectations of our clients and wider stakeholders. Feedback and engagement will be a helpful part of the process, and so we very much welcome and look forward to that.
Disclaimers

Limitation of Reliance

The information included in this presentation is intended for general educational purposes only and does not take into consideration individual circumstances. Such information should not be relied upon without further review with your Willis Towers Watson consultant. The views expressed herein are as of the date given. Material developments may occur subsequent to this presentation rendering it incomplete and inaccurate. Willis Towers Watson assumes no obligation to advise you of any such developments or to update the presentation to reflect such developments. The information included in this presentation is not based on the particular investment situation or requirements of any specific trust, plan, fiduciary, plan participant or beneficiary, endowment, or any other fund; any examples or illustrations used in this presentation are hypothetical. As such, this presentation should not be relied upon for investment or other financial decisions, and no such decisions should be taken on the basis of its contents without seeking specific advice. Willis Towers Watson does not intend for anything in this presentation to constitute "investment advice" within the meaning of 29 C.F.R. § 2510.3-21 to any employee benefit plan subject to the Employee Retirement Income Security Act and/or section 4975 of the Internal Revenue Code.

Willis Towers Watson is not a law, accounting or tax firm and this presentation should not be construed as the provision of legal, accounting or tax services or advice. Some of the information included in this presentation might involve the application of law; accordingly, we strongly recommend that audience members consult with their legal counsel and other professional advisors as appropriate to ensure that they are properly advised concerning such matters. In preparing this material we have relied upon data supplied to us by third parties. While reasonable care has been taken to gauge the reliability of this data, we provide no guarantee as to the accuracy or completeness of this data and Willis Towers Watson and its affiliates and their respective directors, officers and employees accept no responsibility and will not be liable for any errors or misrepresentations in the data made by any third party.

This document may not be reproduced or distributed to any other party, whether in whole or in part, without Willis Towers Watson's prior written permission, except as may be required by law. In the absence of its express written permission to the contrary, Willis Towers Watson and its affiliates and its respective directors, officers and employees accept no responsibility and will not be liable for any consequences howsoever arising from any use of or reliance on the contents of this document including any opinions expressed herein.

Views expressed by other Willis Towers Watson consultants or affiliates may differ from the information presented herein. Actual recommendations, investments or investment decisions made by Willis Towers Watson and its affiliates, whether for its own account or on behalf of others, may not necessarily reflect the views expressed herein. Investment decisions should always be made based on an investor’s specific financial needs.

Disclaimer

Towers Watson Investment Services, Inc. has prepared this report and has not taken into consideration individual circumstances. In preparing this report we have placed reasonable reliance on data supplied to us by third parties. While reasonable care has been taken to gauge the reliability of this data, this report carries no guarantee of accuracy or completeness and Towers Watson Investment Services, Inc., and its parent, affiliates, and their respective directors, officers, and employees ("Willis Towers Watson") cannot be held accountable for the misrepresentation of data by third parties involved. The written comments included in the report should be considered in conjunction with the supporting and amplifying verbal comments and other background information provided by Willis Towers Watson.

This report is based on information available to Willis Towers Watson as at the date of the report and takes no account of subsequent developments after that date. It may not be modified or provided to any other party without Willis Towers Watson's prior written permission. It may also not be disclosed to any other party without our prior written permission except as may be required by law. In the absence of our express written permission to the contrary, Willis Towers Watson accepts no responsibility for any consequences arising from any third party relying on this report or the opinions we have expressed. This report is not intended by Willis Towers Watson to form a basis of any decision by a third party to do or omit to do anything.

Willis Towers Watson does not intend for anything in this document and any associated presentation to constitute "investment advice" (within the meaning of 29 C.F.R. § 2510.3-21) provided to an employee benefit plan subject to the Employee Retirement Income Security Act and/or section 4975 of the Internal Revenue Code to engage Willis Towers Watson to provide services for an additional fee. As such, this document should not be relied upon for investment or other financial decisions and no such decisions should be taken on the basis of its contents without seeking specific advice. Views expressed by other Willis Towers Watson consultants or affiliates may differ from the information presented herein. Actual recommendations, investments or investment decisions made by Willis Towers Watson and its affiliates, whether for its own account or on behalf of others, may differ from those expressed herein.
About Willis Towers Watson

Willis Towers Watson (NASDAQ: WLTW) is a leading global advisory, broking and solutions company that helps clients around the world turn risk into a path for growth. With roots dating to 1828, Willis Towers Watson has 45,000 employees serving more than 140 countries and markets. We design and deliver solutions that manage risk, optimize benefits, cultivate talent, and expand the power of capital to protect and strengthen institutions and individuals. Our unique perspective allows us to see the critical intersections between talent, assets and ideas — the dynamic formula that drives business performance. Together, we unlock potential. Learn more at willistowerswatson.com.