



SFDR Sustainable Investment Disclosures

March 2021

Towers Watson Investment Management (Ireland) Limited is the Alternative Investment Fund Management Firm (the 'Manager') to the below listed Funds (the 'Funds') and has appointed Towers Watson Investment Management Limited as the investment manager (the 'Investment Manager'). Depending on the structure and investment style of these Funds, they may invest in underlying Portfolio Funds (the 'Portfolio Funds') managed by Sub-Investment Managers (the 'Sub-Investment Managers') or allocate capital directly to Sub-Investment Managers to be managed as a segregated account.

As required by the Sustainable Finance Disclosure Regulations ('SFDR'), the Manager is required to publish and maintain a disclosure on its website which sets out the social and environmental characteristics promoted by the Funds under its management which have been classified as Article 8 products; as well as the methodologies used to assess, measure and monitor these characteristics including data sources, screening criteria and relevant sustainability indicators.

The following Funds have been classified as Article 8 products for the purposes of SFDR:

- Alternative Credit Fund (ACF)
- Core Diversified Fund (CDF)
- European Secure Income Fund (ESIF)
- Global Equity Focus Fund (GEFF)
- Partners Fund (Partners)
- Secure Income Fund (SIF)

1. Environmental and Social Characteristics Promoted

With regards to the Funds which have been classified as Article 8 funds under SFDR, these Funds have been deemed to promote environmental and/or social characteristics. These characteristics are promoted in a number of ways including by way of investment allocations with some of the key themes which the Funds may invest in set out in Appendix 1 below. Please note that these are indicative only and reflect the type of investment which the respective Funds have made or might look to make.

Furthermore, a number of environmental and social characteristics are promoted by way of engagement by the Investment Manager with delegate Sub-Investment Managers or with underlying investee companies. Depending on the governance structure and investment policy of a particular Fund, this engagement with Sub-Investment Managers and/or underlying investee companies may be done directly or through an appointed third-party engagement service provider. The characteristics which are promoted through engagement are set out in Appendices 2(a) and 2(b) below.

Figure 1: Appendix 1

Fund	Environmental Characteristics promoted through investment allocations				Social Characteristics promoted through investment allocations		
	Renewable Energy	Climate transition	Water efficiency	Waste management and the Circular economy	Controversial Weapons Exclusions	Social Infrastructure	Social Housing
ACF	✓				✓*	✓	✓
CDF			✓	✓	✓*		
ESIF	✓				✓	✓	✓
GEFF		✓			✓		
Partners	✓	✓	✓	✓	✓*		✓
SIF	✓	✓	✓	✓	✓*	✓	✓

*Partial exclusion only

Figure 2: Appendix 2(a)

Fund	Environmental Characteristics promoted through engagement				
	Climate Change	Pollution and Waste Management	Supply Chain Management	Forestry, Land Use and Biodiversity	Water Efficiency
ACF	✓	✓	✓	✓	✓
CDF	✓	✓	✓	✓	✓
ESIF	✓	✓		✓	✓
GEFF	✓	✓	✓	✓	✓
Partners	✓	✓	✓	✓	✓
SIF	✓	✓		✓	✓

Figure 3: Appendix 2(b)

Fund	Social Characteristics promoted through engagement					
	Human Rights	Human Capital Management*	Conduct and Culture	Diversity	Bribery and Corruption	Labour Rights
ACF	✓	✓	✓	✓	✓	✓
CDF	✓	✓	✓	✓	✓	✓
ESIF	✓	✓	✓	✓	✓	✓
GEFF	✓	✓	✓	✓	✓	✓
Partners	✓	✓	✓	✓	✓	✓
SIF	✓	✓	✓	✓	✓	✓

*Human Capital Management including Occupational Health and Safety

2. Sustainable Investment Methodology

The Funds use a variety of sustainable investment (“SI”) data and analytics as inputs to their portfolio management and decision-making processes. The SI data and analytics can be used by the Funds to assess key portfolio risk exposures and investment opportunities, engage with Sub-Investment Managers and input into investment allocation decisions. A key source of this SI data is MSCI ESG Research, which provides Environmental Social and Governance (ESG) ratings, metrics and issuer-level information that helps the Investment Manager to measure and monitor the Funds’ investments from an ESG perspective. Given the coverage of the MSCI data universe, the Investment Manager considers that this data is currently most useful for assessing investments in listed equities and credit. More detail on MSCI’s ESG research and ratings, including the underlying methodologies used by MSCI to determine ESG ratings, is available here: www.msci.com/our-solutions/esg-investing/esg-ratings

Through the Manager Research Due Diligence process employed by the Investment Manager, SI data is systematically gathered on Sub-Investment Managers and Portfolio Funds. A key input to this process is data is gathered by way of annual SI Questionnaires which are required to be completed by Sub-Investment Managers on their strategies and/or Portfolio Funds. The Sub-Investment Managers and Portfolio Funds are typically assessed, both upon appointment and periodically thereafter, on the basis of these sustainability indicators. The SI topics covered by the questionnaires are tailored to the asset class and strategy in question and include such things as firm-level policies, strategy-level policies, resourcing and responsibilities, industry memberships, ESG integration processes and responsibilities, portfolio ESG exposures, exclusions, topical and thematic questions (e.g. on climate), stewardship activities including numbers and types of engagement, and voting activities where appropriate.

The Investment Manager has appointed EOS at Federated Hermes (“EOS”) to provide corporate engagement services and voting recommendations for a sub-set of Funds with holdings in listed assets. EOS engage with underlying companies on behalf of the Funds through dialogue with companies on ESG and strategic issues, in order to influence and drive positive change with regards to ESG and other strategic matters and aiming to achieve more sustainable outcomes for investors. This engagement activity carried out by EOS is undertaken in addition to the corporate engagement activities undertaken by the Sub-Investment Managers themselves. More detail on EOS’s approach to stewardship and engagement is available here: www.hermes-investment.com/uki/stewardship/

For Funds which hold investments in illiquid assets including real estate and infrastructure, the process for engaging on ESG issues also includes direct active ownership. The Portfolio Funds are typically direct owners of the underlying assets that they hold; in a significant majority of cases they are either sole owners, majority owners or meaningful minority owners of these assets (with corresponding governance rights). The Sub-Investment Managers therefore actively engage in the governance of these assets on behalf of the Portfolio Funds, which includes taking up Board positions (among other roles).

The Investment Manager may also make use of broader sustainability frameworks, standards and indicators including PRI, SASB, TCFD, UN Global Compact and UN Sustainable Development Goals, amongst others, to map and assess the sustainability credentials of the Funds and measure their environmental or social characteristics.

This document is accurate as at the time of publication and may be updated from time to time to reflect evolving processes, methodologies, and levels of SI integration within the Funds.

[10 March 2021]

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, optimise 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.



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