

Wellington Management Funds (Luxembourg) III SICAV
Société d'investissement à capital variable
Registered Office: 33, Avenue de la Liberté
L-1931 Luxembourg
R.C.S. Luxembourg B 240 609
(the "Company")

Notice to the Shareholders of the Company

16th October 2023

Dear Shareholder,

The board of directors of the Company (the "**Board of Directors**") is writing to advise and inform you of a number of changes and clarifications that are being made to the prospectus of the Company (the "**Prospectus**") as further described below.

Capitalised terms not defined herein have the same meaning as ascribed to them in the Prospectus.

I. Updates to the *ESG Ratings Framework* section in chapter *Investment Objectives and Policies*

The *ESG Ratings Framework* section will be updated in order to clarify the way the ESG Ratings Framework may be used. The change to the ESG rating methodology is intended to align with the Investment Manager's ESG research process and capabilities. In this context, the *ESG Ratings Framework* section will be amended as follows:

Certain Funds may also use different components of the internal ESG Ratings Framework in different ways. In some cases, Funds may choose to rely on the one or more individual environmental, social, or governance rating (respectively "E Rating", "S Rating", or "G component Rating"), or may leverage external, third-party ESG ratings which comprise the overall ESG Ratings independently. Further information on the role ESG Ratings play in a Fund's investment process can be found in the relevant Fund's Supplement.

For the avoidance of doubt, this change will not impact (i) the way the Funds are being managed, (ii) the composition of their respective portfolio characteristics, (iii) their respective risk profile, nor (iv) the level of fees borne by the shareholders of the Funds.

II. Addition of a *New Taiwan Dollar Repatriation Risk* section in chapter *LIBOR Transition and Associated Risk*

The following disclosure will be added, to clarify that principals and/or profits denominated in New Taiwan Dollar which will be converted to the base currency of a Fund will be undertaken by a local sub-custodian with a potential delay between when a redemption order is instructed and the moment the execution of order is effectively instructed. In this context, the following disclosure will be added:

"The exchange rate used for converting principals and/or profits denominated in New Taiwan Dollar back to the Base Currency of the relevant Fund and repatriating out of Taiwan will be determined based on market rates on the day the currency is converted which is typically after the settlement date. In case of redemption of Shares, the valuation date for the redeeming Shareholder will precede the conversion date by several days, which will expose the remaining Shareholders of the Fund to currency risk and potential losses in case of depreciation of the New Taiwan Dollar between the valuation date and the conversion date."

This risk factor has been added among the *Risk Factors* listed in *Supplement 1 – Wellington Emerging Markets Research Equity Core Fund*.

For the avoidance of doubt, this new risk disclosure will not impact (i) the way the Funds are being managed, (ii) the composition of their respective portfolio characteristics, (iii) their respective risk profile, nor (iv) the level of fees borne by the shareholders of the Funds.

III. Updates of the sub-section Anti-Money Laundering

The sub-section now provides that delay or failure to provide to the Company (or its delegates) and/or for the Company (or its delegates) to receive the required/up-to-date documentation and information may finally result in the Company compulsorily redeeming the Shares of the relevant Shareholder. Any costs (including account maintenance costs) which are related to non-cooperation of the Shareholder will be borne by the Shareholder.

IV. Updates to the *Taxation* chapter

The chapter will be amended to include additional tax related disclosures on Anti-Tax Avoidance Directive ('ATAD') 1 and 2 and EU Mandatory Disclosure Regime.

For the avoidance of doubt, the clarifications mentioned above will not impact (i) the way the Funds are being managed, (ii) the composition of their respective portfolio characteristics, (iii) their respective risk profile, nor (iv) the level of fees borne by the shareholders of the Funds.

V. Updates of the Settlement Date of the Share Class A for the Supplement 2 - Wellington Credit Income Fund, Supplement 3 - Wellington US Brand Power Fund, Supplement 4 - Wellington US Quality Growth Fund, Supplement 7 - Wellington Multi-Asset High Income Fund and Supplement 12 - Wellington Sustainable Outcomes Fund

Considering the Funds listed above are or may be authorised in Hong-Kong, the Settlement Date for payments of Shares and payments of redemptions of the Share Class A for those Funds will change from two Business Days following the relevant Dealing Day (T+2) to three Business Days following the relevant Dealing Day (T+3).

VI. Updates to the targeted income range of Supplement 2 – Wellington Credit Income Fund, Supplement 7 – Wellington Multi-Asset High Income Fund, and Supplement 15 – Wellington Asia Credit Income Fund

The targeted income range of

- Wellington Credit Income Fund will be increased from 4%-6%, to 4%-8%;
- Wellington Multi-Asset High Income Fund will be increased from 5%-8% to 5%-10%; and
- Wellington Asia Credit Income Fund will be increased from 4%-6%, to 4%-7%.

For the avoidance of doubt, the clarifications mentioned above will not impact (i) the way the Funds are being managed, (ii) the composition of their respective portfolio characteristics, (iii) their respective risk profile, nor (iv) the level of fees borne by the shareholders of the Funds.

VII. Updates to the *Business Day* and *Dealing Day / Non-Dealing Day* definitions of Supplement 1 – Wellington Emerging Markets Research Equity Core Fund, Supplement 6 – Wellington Next Generation Global Equity Fund, Supplement 8 – Wellington European Stewards Fund, Supplement 10 – Wellington Emerging Markets Health Care Equity Fund, Supplement 11 – Wellington Next Generation Education Fund, Supplement 13 – Wellington Euro Credit ESG Fund, Supplement 15 – Wellington Asia Credit Income Fund, and Supplement 17 – Wellington Asia Quality Income Fund.

The definitions of *Business Day* and *Dealing Day / Non-Dealing Day* will be amended.

As such, the closure of exchanges and banks in certain countries, such as Hong Kong, Singapore and England will be removed, where relevant, from the definition of *Business Day*, while the definition of *Dealing Day / Non-Dealing Day* will be amended to reflect these closures.

The frequency of Dealing Days will not be reduced following these changes, but these may increase the number Business Days, allowing Shareholders of the above-listed Funds to have more regular information on their respective Fund's NAV.

For the avoidance of doubt, the changes mentioned above will not impact (i) the way the Funds are being managed, (ii) the composition of their respective portfolio characteristics, (iii) their respective risk profile, nor (iv) the level of fees borne by the shareholders of the Funds.

VIII. Updates to the *German Taxation* section of Supplement 9 - Wellington Climate Market Neutral Fund

The *German Taxation* section of Wellington Climate Market Neutral Fund will be amended to reflect its reclassification from a German taxation point of view, from “*mixed*” to “*equity*”.

IX. Updates to the *Investment Policies* of Supplement 15 - Wellington Asia Credit Income Fund

The *Investment Policies* section of the Fund will be amended in order to clarify how investments in distressed securities are done. In this context, the eleventh paragraph of the *Investment Policies* of the Fund will be amended as follows:

“The Fund may also invest in below investment grade debt securities up to a maximum of 50% of the NAV of the Fund which includes ~~The Fund may also hold~~ a maximum of 10% of ~~the its~~ NAV of the Fund in distressed securities. ~~but only as a result of a credit rating downgrade.~~ In case the holding of distressed securities exceeds 10% of the NAV of the Fund due to the downgrade of high yield or sub-investment grade bonds, the Investment Manager’s intention is to sell the excess portion of distressed securities as soon as reasonably possible, under normal market circumstances and in the best interest of Shareholders.”

X. Updates to the *Investment Objective* section of Supplement 16 - Wellington Global Climate and Environment Fund

a) Updates to the *Investment Objective* section

The *Investment objective* section of the Fund will be amended as follows:

“The investment objective of the Fund is to seek long-term total returns in excess of the MSCI All Country World Index (the “Index”), primarily through investment in equity securities from the global stock universe deemed by the Investment Manager to be Sustainable Investments that will contribute to and/or benefit from the battle against climate change.”

b) Updates to the definition of *Dealing Day / Non-Dealing Day*

The definition of *Dealing Day / Non-Dealing Day* will be amended in order to add that the *Non-Dealing Days* also include the days on which English banks or exchanges are not open for business. As a result of this change, only one *Dealing Day* is expected to become a *Non-Dealing Day* on a regular basis.

XI. Update of the Funds subject to the disclosure requirements of Article 8 and Article 9 SFDR (the ‘PCDs’)

a) Clarifications for all the PCDs

- Clarifications will be made to the PCDs, section *What is the asset allocation planned for this financial product?* to reflect the minimum proportion of assets that is aligned with one or more of the environmental and/or social characteristics promoted by the Funds/ or that is aligned to the sustainable objectives. This is instead of the typical or expected commitment previously stated in the PCDs.
- Section *What is the policy to assess good governance practices of the investee companies?* of the PCDs will be amended to reflect the new ESG Ratings Framework, to align it with the changes that were made in the Prospectus, as mentioned under item I. above.

A number of other minor amendments will be made to the PCDs for clarification and consistency purposes.

b) Clarifications for specific PCDs

A number of other changes will be made to specific PCDs, as follows:

- **Wellington Climate Market Neutral Fund** – clarification will be added to reflect how the long and short positions used by the Fund are linked to the environmental characteristics promoted by the Fund. Long equity exposures may at times be established in relative climate disadvantaged companies, and short equity exposures may at times be established in relative climate advantaged companies. In addition, disclosure will be added to clarify that the exclusion policy is applied to all the Fund's long positions in companies.
- **Wellington European Stewards Fund** – disclosures relating to non-science based targets will be removed to clarify this is an alternative public active emissions reduction target and clarify the science based targets.
- **Wellington Global Equity Income Fund** – disclosures will be added to clarify the science-based targets.
- **Wellington Emerging Markets Research Equity Core Fund** – section *What investment strategy does this financial product follow?* will be amended in order to clarify that the Fund will also exclude companies which derive more than 5% of their revenue from weapon support services.
- **Wellington Credit Income Fund, Wellington European Stewards Fund, Wellington Global Climate and Environment Fund, Wellington Next Generation Global Equity Fund, and Wellington Sustainable Outcomes Fund** – section *What is the minimum share of sustainable investment with an environmental objective that are not aligned with the EU Taxonomy?* will be amended in order to add a disclosure that clarifies that the sustainable investments in which these Funds are investing, and that have an environmental objective could be aligned with the EU Taxonomy, but that the Investment Manager is currently unable to specify the exact proportion that this would represent.

For the avoidance of doubt, the above-mentioned changes will not impact (i) the way the Funds are being managed, (ii) the composition of their respective portfolio characteristics, (iii) their respective risk profile, nor (iv) the level of fees borne by the shareholders of the Funds.

Please be informed that the above change under point V, VIII, IX, and X will become effective on 16 November 2023, i.e. one month after the date of this notice. During such period, Shareholders of Wellington Credit Income Fund, Wellington US Brand Power Fund, Wellington US Quality Growth Fund, Wellington Multi-Asset High Income Fund, Wellington Sustainable Outcomes Fund, Wellington Asia Credit Income Fund, Wellington Climate Market Neutral Fund, and Wellington Global Climate and Environment Fund may redeem their Shares free of charge should they disagree with the proposed changes. The remaining changes will become effective on 16 October 2023.

Should you wish to receive any further information or have questions regarding the above amendment, please do not hesitate to contact your Wellington Relationship Manager.

The revised Prospectus will be made available to Shareholders at the following websites: www.wellington.com and www.fefundinfo.com on or around 16 October 2023.

For the Board of Directors,

The Prospectus as well as a version of the prospectus showing all amendments made (once available), the Key Information Documents, the Articles of incorporation as well as the Annual and Semi-annual reports may be obtained free of charge upon request from the Swiss Representative.

Representative and paying agent in Switzerland:

BNP PARIBAS, Paris, Zurich branch
Selnaustrasse 16
CH - 8002 Zurich