WELLINGTON MANAGEMENT FUNDS (IRELAND) PLC
3 Dublin Landings, North Wall Quay, Dublin 1, Ireland

WELLINGTON MANAGEMENT®

**This document is important and requires your immediate attention. If you are in doubt as to the action you should take you should seek advice from your stockbroker, bank manager, solicitor, accountant, or other independent financial advisor. If you have sold or transferred all of your shares in Wellington Management Funds (Ireland) plc (the Company) please pass this document to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee as soon as possible. This document is not required to be and has not been reviewed by the Central Bank of Ireland (the Central Bank).**

Dear Shareholder,

The Board of Directors of the Company (the **Board**) is writing to advise you of changes and clarifications that are to be made to the Company's Prospectus (the **Prospectus**) and to the supplements to the Prospectus in respect of a number of the Company's sub-funds (the **Funds** and each a **Fund**) (the **Supplements**).

The changes to the Prospectus and Supplements are due to take effect on or about 27th November 2023 subject to receipt of approval by the Central Bank (the **Effective Date**).

Capitalised terms not defined herein have the same meaning ascribed to them in the Prospectus and/or the relevant Supplement.

**Prospectus Changes**

Along with other minor non-material changes, the key updates to the Prospectus will include the following:

I. <u>Update to the ESG Ratings Framework</u>

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

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

The Articles have been amended to allow the Directors to effect a compulsory exchange of Shares where it is considered to be in the interests of the Shareholders or in circumstances where the Shareholder no longer meets the eligibility requirements of the relevant Share Class or where the Shareholder is unable to accept a distribution fee due to commercial or regulatory constraints. Advance notice of a compulsory exchange of shares in writing will be given to relevant Shareholders.

This amendment will be reflected in the updated Prospectus by way of adding the following paragraph after the first paragraph of the Exchange of Shares section:

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*"The Directors have power to effect a compulsory exchange of Shares of a Shareholder's holding between Share Classes in a Fund where it is considered in the sole discretion of the Directors to be in the interests of the relevant Shareholder or in circumstances where the Shareholder no longer meets the eligibility requirements for a Share Class, or where a distribution fee is payable to the Shareholder under the terms of the Share Class but the Shareholder is unable to accept such a fee due to commercial or regulatory constraints. Advance notice in writing will be given to the relevant Shareholders of the Directors' intention to effect a compulsory exchange of the Shareholder's holding between Share Classes in a Fund."*

III. Update regarding the compulsory redemption of Shares

The Prospectus will be updated to reflect the changes approved by the relevant Shareholder resolution which expanded the compulsory redemption provisions in the Articles to allow the Directors effect a compulsory redemption of Shares in additional circumstances. Such additional circumstances are where it is considered necessary to prevent the Company, a particular sub-fund or particular share class suffering a legal or material administrative disadvantage which it would not otherwise suffer; or where a Shareholder holds less than the Minimum Shareholding or no longer meets the eligibility criteria, for the relevant share class.

IV. Swing Pricing disclosures

The "*Dealing in Shares*" section of the Prospectus will be updated to clarify the description of how swing pricing is applied for each Fund. In particular, new disclosure will be added to make clear that a swing factor pricing adjustment may be made in the circumstances highlighted in the text below and shall not exceed 2% of the Net Asset Value. The revised disclosure clarifies that the swing factor price adjustment for each Fund within the Company shall not exceed 3% under normal market circumstances:

*"The extent of the swing factor price adjustment will be set by the Company to reflect bid-ask spreads, transaction taxes, dealing and other costs~~. Such~~ and may include an adjustment reflecting some portion, or the full value, of illiquid securities, which cannot be sold at the time of the redemption due to unforeseen events such as sanctions, capital controls or absence of trading activity. An example of such an unforeseen event was the impact on Russian securities following the hostilities in Ukraine. The swing factor adjustment for the illiquid securities will be accounted for as a valuation reserve until such time as the securities become liquid, are sold, or are written off and is not expected to exceed ~~3~~2% of the original Net Asset Value per Share. As a result, redeeming shareholders may not realize any value on these illiquid securities if they ultimately become liquid and have value. Partial swing pricing may be applied by the Company to any Fund of the Company and is not aimed at addressing the specific circumstances of each individual investor transaction. The total swing factor price adjustment is not expected to exceed 3% of the original Net Asset Value per Share under normal market circumstances. The swing factor and swing thresholds are set and reviewed on a quarterly basis by a Wellington Management group swing pricing review governance group, which reports to the board of the Company on a quarterly basis. This group has the ability to respond to market events (e.g. higher market volatility) and make intra quarter adjustments. In any other cases where there are net subscriptions or redemptions in a Fund and the Directors reasonably believe that imposing a partial swing price is in the best interests of existing Shareholders, the Company may, at its discretion, impose one."*

V. Update to *Equity Risk Factor* Disclosure

The "*Equity Risk Factor*" section of the Prospectus will be updated to include additional wording on the risk arising from investment in initial public offerings and, initial public offerings in India. The changes being made are highlighted in the following revised wording:

*"Equity shares of companies will fluctuate in value due to market, economic, political and other factors. Such fluctuations may be substantial, and the fluctuation of small and mid-cap companies may be greater than would occur in similar market conditions for the equity shares of larger capitalisation companies. There is frequently less market liquidity for the shares of small and mid-cap companies than for larger capitalisation companies. In the case of companies located in or deriving substantial revenue from emerging markets, fluctuations in value due to market, economic, political and other factors may be substantial, and may be greater than would occur in similar market*

*conditions for the equity shares of companies domiciled in OECD countries. Shares purchased in an initial public offering will relate to a company that has no track record operating as a public company. Such shares may be more volatile than those issued by more seasoned companies. Shares issued in an initial public offering (IPO) can also be subject to a lock-up period which in an Indian IPO can be for up to 90 days, for example, and which can alter a fund's ability to deal in the shares during the period."*

**Supplement Changes**

Along with other minor amendments, the key updates to the Supplements will include the following:

I. Update to the *Wellington Multi-Asset Total Return Income Fund* Supplement

The target yield range of the Fund will be increased from 3%-7%, to 4%-8%. In this context, the first sentence of the fifth paragraph under the heading of *Investment Policies* in the supplement of the Fund will be amended as highlighted in the following revised wording:

*"The Fund will aim to declare a distribution of between ~~3~~4%~~-7~~-8%of the Fund's Net Asset Value in USD on an annual basis, dependent on market conditions, however this is not guaranteed."*

This update does not represent a change of the risk profile of the Fund.

II. Update to the *Wellington Opportunistic Fixed Income Fund Supplement*

Some of the expected limits and ranges of Financial Derivative Instrument (**FDI**) usage disclosed in the Investment Policy of the Fund are to be amended as follows:

- The highest expected rate of leverage, calculated as the sum of the notional values of FDIs, will be extended from 650% to 700% of the Net Asset Value of the Fund;
- The highest expected gross short exposure taken through FDIs will be extended from 175% to 200% of the Net Asset Value of the Fund; and
- The maximum exposure to Securities Financing Transactions (**SFTs**) taken via total return swaps will be extended from 50% to 100% of the Net Asset Value of the Fund.

This update is intended to provide greater flexibility to the Investment Manager of the Fund in relation to execution of the investment strategy in current market conditions and in pursuit of achieving the investment objective of the Fund.

For the avoidance of doubt this update does not translate into a change of the risk profile of the Fund or impact the level of fees borne by the Shareholders of the Fund. These changes are consistent with the investment objective of the Fund and will not represent a material change to the investment policy of the Fund.

III. Updates to the annexes to the Supplements for all Funds subject to the disclosure requirements of Articles 8 and 9 SFDR (**Article 8** and **9 Funds**), containing pre-contractual disclosures prescribed for such funds (**PCD Annexes**)

The following amendments will be made to the PCD Annexes for all Article 8 and Article 9 Funds of the Company:

1. The disclosure in the section *'What environmental and/or social characteristics are promoted by this financial product?'* or '*What is the sustainable investment objective of this financial product'* (as applicable) will be updated to clarify that the Funds invest a portion of their assets in securities that meet the characteristics or objectives listed in the relevant PCD Annex.

2. The disclosure in the section '*What is the asset allocation planned for this financial product*' will be updated to reflect the binding minimum proportion of each Fund's net assets that is aligned with the relevant environmental and/or social characteristics promoted by the Fund in the case of an Article 8 Fund, or that is aligned to the sustainable objective of the Fund in the case of an Article 9 Fund. This is instead of reflecting the typical or expected commitments that are currently stated within this section in the PCD Annexes and were not always based on the Fund's net assets. Note that similar commitments in other sections of the PCD Annexes will be updated accordingly, for consistency with this change.

   Further clarification is made to reflect that each Fund's ability to observe such minimum commitments may be affected by short-term fluctuations due to possible settlement mismatch related to the Fund's investor flows or market holidays during times when large subscriptions are received.

   If you have any questions regarding these changes or if you would like to see a copy of the draft revised pre-contractual disclosures in the Prospectus Supplements, please contact your Relationship Manager at Wellington Management.

3. The disclosure in the section '*What is the policy to assess good governance practices of the investee companies*' in all the PCD Annexes will also be updated, including for consistency with the changes to the ESG Ratings Framework that are to be made in the Prospectus, as mentioned above. The following is an example of the revised wording with the changes highlighted in the revised wording:

   '*Good governance practices of investee companies are assessed by the Investment Manager with regards to a variety of factors including, where materially relevant, management structures and decision-making, accountability to shareholders, compensation structures, corporate culture, compliance with applicable law and the absence of negative events which are likely to have a material adverse impact on the financial returns of the company. In assessing good governance, the Investment Manager considers its proprietary ~~Fundamental G Ratings and/or Quantitative G Ratings~~ ratings where available in accordance with its Good Governance Assessment Policy. These ratings rely on a combination of internal and/or external data inputs.*'

Along with other minor amendments, the following amendments will be made to the PCD Annexes of specific Article 8 or Article 9 Funds:

I. **Wellington Global Impact Bond Fund, Wellington Global Impact Fund, Wellington Global Stewards Fund and Wellington Emerging Market Development Fund:** The '*What is the minimum share of sustainable investment with an environmental objective that are not aligned with the EU Taxonomy*' section will be amended to clarify that the sustainable investments in which the Funds invest 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.

II. **Wellington Blended Opportunistic Emerging Markets Debt Fund, Wellington Emerging Local Debt Advanced Beta Fund, Wellington Emerging Local Debt Fund, Wellington Opportunistic Emerging Markets Debt Fund:** The '*How does the use of derivatives attain the environmental or social characteristics promoted by the financial product*' section will be updated to clarify that certain derivatives will be used for the purpose of attaining the environmental and/or social (as relevant) characteristics promoted by the Funds and additional related details.

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III. **Wellington FinTech Fund:** The '*What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product*' section will be updated to increase the level of commitment of investment in companies that seek to promote diversity by appointing three or more women to their board, from at least 33% of the Fund's NAV to at least 51% of the Fund's net assets and related changes will be made to other sections of the PCD Annex, for consistency with this change.

IV. **Wellington Global Perspectives Fund:** The '*What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product'* section will be updated to change the level of commitment of investment in companies with an ESG Rating of 1-3 from at least 75% of the Fund (by NAV excluding unrated securities) to at least 70% of the Fund's net assets and related changes will be made to other sections of the PCD Annex, for consistency with this change.

V. **Wellington Multi-Asset Total Return Income Fund:** The '*What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product'* section will be updated to change the level of commitment of investment in companies with an ESG Rating of 1-3 from at least 75% of the ESG-rated securities held by the Fund (by Market Value) to at least 65% of the Fund's net assets and related changes will be made to other sections of the PCD Annex, for consistency with this change.

VI. **Wellington Strategic European Equity Fund:** The '*What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product'* section will be updated to change the level of commitment of investment in companies with an S Rating of 1-3, from at least 75% of the Fund (by number of holdings excluding unrated securities), to at least 60% of the Fund's net assets and related changes are to be made to other sections of the PCD Annex, for consistency with this change.

VII. **Wellington Universal Vision Fund:**

- The '*What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product*' section will be updated to change the level of commitment of investment in companies with an aggregate ESG Rating of between 1-4 from at least 95% of the Fund's NAV (excluding cash and cash equivalents) to at least 90% of the Fund's net assets and related changes will be made to other sections of the PCD Annex, for consistency with this change.

VIII. **Wellington Global Impact Fund:**

- The *'What is the sustainable investment objective of this financial product?' and 'What investment strategy does this financial product follow'* section will be updated to include additional disclosure on how the Investment Manager determines whether an impact activity is considered to be central (i.e. material) to an investee company.
- The *'What is the asset allocation and the minimum share of sustainable investments?*' section will be updated to clarify that although the proportion of Sustainable Investments with environmental or social objectives may vary over time, the Investment Manager will maintain at least 10% in Sustainable Investments with an environmental objective and at least 20% in Sustainable Investments with a social objective (and related changes will be made to other sections of the PCD Annex).

IX. **Wellington Global Impact Bond Fund:**

- The *'What is the asset allocation and the minimum share of sustainable investments?*' section will be updated to clarify that although the proportion of Sustainable Investments with environmental or social objectives may vary over time, the Investment Manager will maintain at least 10% in Sustainable Investments with an environmental objective and at least 20% in Sustainable Investments with a social objective (and related changes will be made to other sections of the PCD Annex).
- The '*How does the use of derivatives attain the sustainable investment objective?'* section will be amended to provide that derivatives will also be used for efficient portfolio management.

X. **Wellington Emerging Market Development Fund:**

- The '*What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?'* section will be amended to remove the reference to the disclosure that all companies included within the investible universe have a sustainable goal as all themes within the portfolio align with UN SDGs.
- The '*What is the asset allocation planned for the financial product?*' section has been amended to clarify that although the proportion of the Fund's Sustainable Investments with environmental or social objectives may vary over time, the Investment Manager will maintain at least 10% in Sustainable Investments with an environmental objective and at least 40% in Sustainable Investments with a social objective.
- The 'What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?' section will be updated to clarify that the minimum share is 10%.

For the avoidance of doubt, the above changes are consistent with the investment objective of each of the Funds and will not represent a material change to the investment policies of any of the Funds.

Please be informed that the changes to the documents referred to above are expected to become effective on or around the Effective Date. During this period, Shareholders may redeem their Shares free of charge should they disagree with the proposed changes. Copies of the revised Prospectus and Supplements reflecting the changes will, following issue, be available on request, free of charge at the registered office of the Company, at the offices of the foreign representatives as well as at the following websites: www.wellingtonfunds.com and www.fefundinfo.com.

If you have any questions regarding this notice or if you would like to see a copy of the draft revised Prospectus and/or Supplements, please contact your Relationship Manager at Wellington Management.

The Prospectus, the Key Information Documents, the Articles of Association 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

Yours sincerely,

Sergio Betancourt, Director
For and on behalf of **Wellington Management Funds (Ireland) plc**

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