Wellington Asia Technology Fund

WELLINGTON MANAGEMENT®

MARKET REVIEW

Global equities advanced in November. Donald Trump's presidential reelection and the Republican Party's sweep of both chambers of Congress led the US to significantly outperform other regions amid expectations for deregulation, additional tax cuts, and a more accommodative US business environment. The breadth of change anticipated from the new US administration reverberated across the globe with far-reaching implications for foreign policy, trade dynamics, inflation, and economic growth. Prospects for a soft landing appeared to remain intact, and central banks in the US, UK, New Zealand, Mexico, and Sweden continued to lower interest rates. Inflation neared central bank targets in many regions. A stronger US dollar pressured emerging markets, and Chinese equities declined amid underwhelming government aid and weak consumer demand.

Asian economies outperformed broader emerging markets over the month with Singapore and Japan being the better-performing markets on a relative basis, while Indonesia and South Korea lagged. Singaporean equities advanced supported by strong gains in financials as renewed optimism around the city-state's banks provided a lift to the wider market. On the flip side, Indonesian markets ended the month lower, weighed down by continued foreign investor selling on the back of a strengthening US dollar and sluggish domestic demand. South Korea's central bank slashed its base rate by 25 bps amid slower-than-anticipated economic growth.

The MSCI AC Asia Pacific Technology Custom Sector Net returned -2.3% for the month. Within the index, four out of eight industries declined over the period. Consumer discretionary distribution & retail and semiconductors & semiconductor equipment were the bottom performing industries, while consumer durables & apparel and commercial & professional services were the top performing industries over the period.

FUND PERFORMANCE AND ATTRIBUTION

- The fund outperformed the index for the period.
- Industry allocation, a result of our bottom-up stock selection process, was the primary driver of relative outperformance. Allocation effect was driven by our underweight to consumer discretionary distribution & retail and technology hardware & equipment and out of benchmark allocation to transportation, but partially offset by our overweight to semiconductors & semiconductor equipment and underweight to media & entertainment and software & services. Stock selection also modestly contributed to returns. Strong selection in semiconductors & semiconductor equipment and technology hardware & equipment was offset by selection in capital goods, media & entertainment and software & services. On a market basis, strong stock selection in China and Taiwan was partially offset by selection in Japan.
- At the issuer level, our top two relative contributors were an out of benchmark allocation to Grab Holdings and not owning Alibaba, while our top two relative detractors were not owning Sea and an out of benchmark allocation to KE Holdings.
- Shares of Grab Holdings rose during the period. The Singapore-based multinational super app platform company reported 3Q24 results and raised revenue and earnings guidance for FY2024. Management cited record monthly transacting users for its robust on-demand GMV growth. Shares of Sea rose during the period as the South East Asian technology firm beat third-quarter revenue estimates, helped by its e-commerce business, Shoppe, which saw sales jump nearly 43% from the previous year on the back of strong demand before the holiday season. Sales from its financial services unit, which includes its digital payments and financial services provider SeaMoney, also saw revenue grow 38% YoY.

FUND POSITIONING AND OUTLOOK

We believe the Asia technology sector is in a multi-year opportunity. Technology has revolutionized traditional industries and economies. We believe every industry will be required to adopt technology to stay relevant. Generative AI in particular has been a dominant theme in tech. We believe AI is a tailwind for Asia tech companies as many of them benefit as AI enablers, platforms, and future applications.

We see Asia, with its burgeoning middle class, as the world's future growth engine. Asia is also the heart of the semiconductor supply chain and has become foundational for tech innovation. In addition to boosting demand for semiconductors and tech hardware, these dynamics provide Asian internet and software companies greater potential to develop into local champions.

Over the long term, we remain focused on identifying high-quality companies with reasonable valuations that are supported by the long-term trends that serve as tailwinds for the Asia technology sector. In the near term, we are assessing how the industry responds to a fluid domestic and international political backdrop brought about by US elections and its impact on business cycles.

At the end of the period, our largest overweight was semiconductors & semiconductor equipment and we were most underweight to technology hardware & equipment and consumer discretionary distribution & retail. From a market perspective, our largest overweight was Japan. We were most underweight to South Korea and China.

RISKS

CAPITAL: Investment markets are subject to economic, regulatory, market sentiment and political risks. All investors should consider the risks that may impact their capital, before investing. The value of your investment may become worth more or less than at the time of the original investment. The Fund may experience a high volatility from time to time. **CONCENTRATION:** Concentration of investments within securities,

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PAST PERFORMANCE DOES NOT PREDICT FUTURE RETURNS. AN INVESTMENT CAN LOSE VALUE.

Fund performance is based on USD S Acc share class and are net of fees and expenses. Other share class performance may differ.| Index used in the calculation of attribution data: MSCI AC Asia Pacific Technology Custom Sector.| Fund performance is net of actual (but not necessarily maximum) withholding and capital gains tax but are not otherwise adjusted for the effects of taxation and assume reinvestment of dividends and capital gains.| If an investor's own currency is different from the currency in which the fund is denominated, the investment return may increase or decrease as a result of currency fluctuations.| The views expressed are in the context of the investment objective of the Fund only and should not be considered a recommendation or advice.

sectors or industries, or geographical regions may impact performance. **CURRENCY:** The value of the Fund may be affected by changes in currency exchange rates. Unhedged currency risk may subject the Fund to significant volatility. **EMERGING MARKETS:** Emerging markets may be subject to custodial and political risks, and volatility. Investment in foreign currency entails exchange risks. **EQUITIES:** Investments may be volatile and may fluctuate according to market conditions, the performance of individual companies and that of the broader equity market. **HEDGING:** Any hedging strategy using derivatives may not achieve a perfect hedge. **INVESTMENT IN CHINA:** Changes in Chinese political, social or economic policies or securities law and regulations may significantly affect the value of the Fund. Chinese securities may be subject to trading suspensions which could impact the Funds investment strategy and affect performance. Chinese tax law is applied under policies that may change without notice and with retrospective effect. **MANAGER:** Investment performance depends on the investment management team and their investment strategies. If the strategies do not perform as expected, if opportunities to implement them do not arise, or if the team does not implement its investment strategies successfully; then a fund may underperform or experience losses. **SMALL AND MID-CAP COMPANY:** Small and mid-cap companies' valuations may be more volatile than those of large cap companies. They may also be less liquid. **STOCK CONNECT:** Allows access to certain China A Shares listed on the Shanghai and the Shenzhen Stock Exchanges, securities could be recalled from the scope of the program which could restrict the Funds ability to implement its investment strategy effectively. The program is subject to quota limitations which may restrict dealing on a timely basis. Trading is subject to China A Share market rules, foreign shareholder restrictions and disclosure obligations and changes to laws, regulations and policies in China may affect share prices of securities held. **SUSTAINABILITY:** A Sustainability Risk can be defined as an environmental, social or governance event or condition that, if it occurs, could cause an actual or potential material negative impact on the value of an investment.

DISCLOSURE