Wellington World Bond Fund

WELLINGTON MANAGEMENT®

MARKET REVIEW

Broadly encouraging economic releases contributed to rising sovereign yields, against the backdrop of political uncertainty stemming from the US elections and intensifying tension in the Middle East. Most fixed income sectors outperformed duration-equivalent government bonds.

US economic data releases were mixed, strained in part by the impact of two major hurricanes. The unemployment rate held steady and weekly jobless claims were range bound, while nonfarm payrolls fell short of expectation. Retail sales broadly gained across most categories, however consumer remained frustrated by persistently high prices. The ISM manufacturing index continued in contraction territory as production and demand cooled, while cost of inputs remained a hinderance. Eurozone annual inflation edged higher, while constrained new orders and backlogs weighed on manufacturing PMI. Germany's IFO business climate index rose, with assessment of current conditions and expectations both improving. UK's S&P global manufacturing PMI dipped slightly but stayed in expansionary territory as an improvement in new orders was offset by the increased cost of raw materials. China's Caixin manufacturing PMT beat expectations as new orders grew at the fastest rate in four months. Industrial production advanced, owing to equipment sector and high-tech manufacturing. Japan's machine tool orders, a leading indicator of future capital spending, declined on the year. In Canada, auto purchases lifted retail sales, the unemployment rate ticked down, and urban housing starts advanced.

Major central banks' paths to policy normalization diverged; however, global developments pointed to a potential slowdown in rate cuts. The ECB cut rates for a third time, as anticipated. In the UK, Chancellor Rachel Reeves' Budget announcements would add up to £141 billion net borrowing over the next five years, significantly higher than the levels expected in the March Budget and the £85 billion consensus. Most other major central banks left policy rates unchanged.

FUND PERFORMANCE AND ATTRIBUTION

On a total return basis, World Bond performance was negative over the month with rates and currency detracted, while credit contributed.

Strategic duration performance was negative. Our long US duration exposure detracted from performance as US Treasury yields moved higher during the month. The resilient US labor market, resurgent oil prices on fears of an escalating Middle East conflict, and the prospect of a prolonged US port strike raised concerns about revived inflationary pressures, resulting in markets pricing fewer rate cuts by the Fed. Mounting uncertainty surrounding US election also added to the upward pressure facing Treasure yields.

Strategic currency performance was also negative. This was mainly led by a broad overweight to G10 currencies vs USD as the dollar appreciated against major developed market currencies in October, helped by tempered expectations for Fed rate cuts and betting markets increasingly pointing to a Trump second term.

Macro-driven duration strategies were positive. Our short duration positions in the UK contributed as sovereign bond yields moved higher across major developed economies over the course of October, reversing the downward trajectory from August and September. UK Chancellor Rachel Reeves' Budget sent gilt yields close to their highest level since the 2008 global financial crisis as the announcements would add up to £141bn net borrowing over the next five years, significantly higher than the levels expected.

Macro-driven currency strategies were also positive. Our short SEK contributed as the US dollar experienced a broad-based appreciation against its G10 counterparts.

Credit strategies were positive. Our allocations to IG corporate credit, high yield credit and securitized contributed as spreads tightened across sectors over the month.

FUND POSITIONING AND OUTLOOK

Over the month we decreased the Fund's duration at 3.68 years, driven by opportunistic duration.In opportunistic duration, we decreased Japan duration as we believe current policy rates are still too low given the reflation forces at play in the economy. The probability is skewed to a faster normalization through 2025, and the policy rate should be nearer 1% over the next 12 months.

In strategic market currency strategies, we decreased our non-USD exposure, led by decreases in NZD, GBP, KRW, NOK, and AUD exposure.

The Fund's exposure to credit sectors remains conservative. We are long investment grade, high-yield, and securitized.

RISKS

BELOW INVESTMENT GRADE: Lower rated or unrated securities may have a significantly greater risk of default than investment grade securities, can be more volatile, less liquid, and involve higher transaction costs. **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. **CREDIT:** The value of a bond may decline, or the issuer/guarantor may fail to meet payment obligations. Typically lower-rated bonds carry a greater degree of credit risk than higher-rated bonds. **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. **DERIVATIVES (D+E) (MKT):** Derivatives may provide more market exposure than the money paid or deposited when the transaction is entered into (sometimes referred to as Leverage). Market movements can therefore result in a loss exceeding the original amount invested. Derivatives may be difficult to value. Derivatives may also be used for efficient risk and portfolio management, but there may be some mismatch in exposure when derivatives are used as hedges. The use of derivatives forms an important part of the investment strategy. **EMERGING MARKETS:** Emerging markets may be subject to custodial and political risks, and volatility. Investment in foreign currency entails exchange risks. **HEDGING:** Any hedging strategy using derivatives may not achieve a perfect hedge. **INTEREST RATES:** The value of bonds tends to decline as interest rates rise. The change in value is greater for longer term than shorter term bonds. **LEVERAGE:** The use of leverage can provide more market exposure than the money paid or deposited when the transaction is entered into. Losses may therefore exceed the original amount invested. **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. **SHORT SELLING:** A short sale exposes the Fund to the risk of an increase in market price of a security sold short; this could result in a theoretically unlimited loss. **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

This material has been prepared exclusively for use with professional, accredited or institutional investors, wholesale clients and non-retail investors for general information purposes only and does not take into account the investment objectives, financial situation or needs of any particular person. By accepting this material, you acknowledge and agree that this material is provided for your use only and that you will not distribute or otherwise make this material available to any person.

This material and its contents may not be reproduced or distributed, in whole or in part, without the express written consent of Wellington Management. This document is intended for marketing purposes only. It is not an offer to anyone, or a solicitation by anyone, to subscribe for units or shares of any Wellington Management Fund ("Fund"). Nothing in this document should be interpreted as advice, nor is it a recommendation to buy or sell securities. Investment in the Fund may not be suitable for all investors. Any views expressed in this document are those of the author at the time of writing and are subject to change without notice. Fund shares/ units are made available only in jurisdictions where such offer or solicitation is lawful. The Fund only accepts professional clients or investment through financial intermediaries. Please refer to the Fund offering documents for further risk factors, pre-investment disclosures, the latest annual report (and semi-annual report), and for UCITS Funds, the latest Key Investor Information Document (KIID) or Key Information Document (KID) before investing. For each country where UCITS Funds are registered for sale, the prospectus and summary of investor rights in English, and the KIID / KID in English and an official language, are available at www.wellington.com/KIIDs. For share/unit classes registered in Switzerland, Fund offering documents in English can be obtained from the local Representative and Paying Agent — BNP Paribas Securities Services, Selnaustrasse 16, 8002 Zurich, Switzerland. Wellington Management Funds (Luxembourg) and Wellington Management Funds (Luxembourg) III SICAV are authorised and regulated by the Commission de Surveillance du Secteur Financier and Wellington Management Funds (Ireland) plc is authorized and regulated by the Central Bank of Ireland. The Fund may decide to terminate marketing arrangements for shares/units in an EU Member State by giving 30 working days' notice.

■ In Canada, this material is provided by Wellington Management Canada ULC, a British Columbia unlimited liability company registered in the provinces of Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Nova Scotia, Ontario, Prince Edward Island, Quebec, and Saskatchewan in the categories of Portfolio Manager and Exempt Market Dealer. ■ In the UK, issued by Wellington Management International Limited (WMIL), authorised and regulated by the Financial Conduct Authority (Reference number: 208573). ■ In Europe (ex. UK and Switzerland), issued by marketing entity Wellington Management Europe GmbH which is authorised and regulated by the German Federal Financial Supervisory Authority (BaFin). Shares of the Fund may not be distributed or marketed in any way to German retail or semi-professional investors if the Fund is not admitted for distribution to these investor categories by BaFin. In Spain CNMV registration number 1236 for Wellington Management Funds (Luxembourg) and CNMV registration number 1182 for Wellington Management Funds (Ireland) plc. ■ In Dubai, this material is provided by Wellington Management (DIFC) Limited (WM DIFC), a firm registered in the DIFC with number 7181 and regulated by the Dubai Financial Services Authority ("DFSA"). To the extent this document relates to a financial product, such financial product is not subject to any form of regulation or approval by the DFSA. The DFSA has no responsibility for reviewing or verifying any prospectus or other documents in connection with any financial product to which this document may relate. The DFSA has not approved this document or any other associated documents nor taken any steps to verify the information set out in this document, and has no responsibility for it. Any financial product to which this document relates may be illiquid and/or subject to restrictions on its resale. Prospective purchasers should conduct their own due diligence on any such financial product. If you do not understand the contents of this document, you should consult an authorised financial adviser. This document is provided on the basis that you are a Professional Client and that you will not copy, distribute or otherwise make this material available to any person. ■ In Hong Kong, Wellington Management Hong Kong Limited (WM Hong Kong), a corporation licensed by the Securities and Futures Commission to conduct Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), and Type 9 (asset management) regulated activities. Wellington Private Fund Management (Shanghai) Limited (WPFM), which is an unregulated entity incorporated in China, is a wholly-owned subsidiary of WM Hong Kong. Wellington Global Private Fund Management (Shanghai) Limited (WGPFM) is a wholly-owned entity and subsidiary of WPFM and is registered as a private fund manager with Asset Management Association of China to conduct qualified domestic limited partnership and management activities. ■ In mainland China, this material is provided for your use by WPFM, WGPFM, or WMHK (as the case may be). ■ In Singapore, Wellington Management Singapore Pte Ltd (WM Singapore) (Registration Number 201415544E), regulated by the Monetary Authority of Singapore. WM Singapore is regulated by the Monetary Authority of Singapore under a Capital Markets Services Licence to conduct fund management activities and deal in capital markets products, and is an exempt financial adviser. ■ In Australia, Wellington Management Australia Pty Ltd (WM Australia) (ABN19 167 091 090) has authorized the issue of this material for use solely by wholesale clients (as defined in the Corporations Act 2001). ■ In Japan, Wellington Management Japan Pte Ltd (WM Japan) (Registration Number 199504987R) is registered as a Financial Instruments Firm with registered number: Director General of Kanto Local Finance Bureau (Kin-Sho) Number 428 a member of the Japan Investment Advisers Association, the Investment Trusts Association, Japan (ITA) and the Type II Financial Instruments Firms Association (T2FIFA). WM Hong Kong and WM Japan are also registered as investment advisers with the SEC; however, they will comply with the substantive provisions of the US Investment Advisers Act only with respect to their US clients. Wellington Management Funds ("the Funds") may not be offered to citizens and residents of the United States or within the United States, its territories, or possessions (other than to distributors and financial intermediaries). None of the Funds have been or will be registered under the US Securities Act of 1933, as amended (the "Securities Act"), and none of such shares may be offered, sold, transferred or delivered, directly or indirectly, in the United States or to United States residents or citizens (other than to distributors and financial intermediaries). None of the Funds have been or will be registered as an investment company under the US Investment Company Act of 1940, as amended (the "1940 Act"). Interests in the Funds may be offered through an affiliate of Wellington Management Company LLP; Wellington Funds Distributors, Inc., an SEC-Registered Broker/Dealer, Member FINRA and SIPC. Office of Supervisory Jurisdiction: 280 Congress Street, Boston, MA 02210. Tel: 617-951-5000 Fax: 617-951-5250. Not FDIC Insured — No Bank Guarantee — May Lose Value.