Wellington Global Property Fund

WELLINGTON MANAGEMENT®

For professional and accredited investor use only. Not for further distribution.

MARKET REVIEW

Global equities remained steady for most of the month but sold off in the final days, as investors awaited key US elections, navigated heightened geopolitical tensions in the Middle East, and assessed ongoing policy easing measures. Favorable US economic data, including subdued inflation, drove expectations that the US Federal Reserve (Fed) may slow its pace of rate cuts. This sentiment was further emphasized by the notable rise in 10-year Treasury yields, which reached 4.28% in October, up from a 15-month low of 3.62% in late September, underscoring the market's expectations for the pace of Fed rate cuts, positive economic indicators, and improved prospects for a soft landing. In Europe, third-quarter GDP exceeded expectations, and the European Central Bank lowered interest rates by 25 basis points, to 3.25%, amid waning inflation and a weak economic outlook. Emerging markets faced pressure from a stronger US dollar, while the conflict in the Middle East reached its one-year mark, with military strikes escalating between Israel and Iran.

The FTSE EPRA/NAREIT Developed NET returned -5.1% for the period. Within the index, 12 out of 14 sectors declined for the month. Self-storage facilities and warehouse were the bottom performing sectors, while real estate technology and healthcare real estate were the top performing sectors over the period.

FUND PERFORMANCE AND ATTRIBUTION

- The fund outperformed the index over the month, however delivered negative returns.
- Security selection was a driver of relative outperformance. Strong selection in office, diversified and healthcare real estate was partially offset by selection in home builder. Sector allocation, a result of our bottom-up stock selection process, also contributed to returns. Allocation effect was driven by our underweight to warehouse and overweight to healthcare real estate and home builder, but partially offset by our underweight to real estate technology and office and overweight to real estate service company.
- At the issuer level, our top two relative contributors were overweights to SL Green Realty and Welltower, while our top two relative detractors were an underweight to Digital Realty Trust and an out of benchmark allocation to Sekisui House Ltd.
- The share price of SL Green Realty rose during the month following the announcement of its Q3 earnings results. Despite reporting a miss on FFO, net rental revenue increased. The company has seen strong leasing momentum year-to-date and expects to surpass its FY24 leasing goal. Additionally, SL Green's 925,000 square-foot renewal and expansion with Bloomberg positively impacted the stock price. Shares of Digital Realty Trust rose after the company announced Q3 FFO and Revenue in line with estimates at the end of the month. Additionally, the company reported rental rate increases on renewal leases and the total signed bookings during 3Q24 are expected to generate $521M of annualized GAAP rental revenue. As a result, management raised its 2024 Core FFO and Constant-Currency Core FFO.

FUND POSITIONING AND OUTLOOK

Over the past twelve months the market has wrestled with where growth and inflation will stabilize. Volatile base effects have made an assessment challenging. Still, the swings in market expectations have been extreme, ranging from 7+ rate cuts to a right hike. Betting that the pendulum of sentiment will swing back and forth has been fruitful. As such we believe recent economic negativity is unwarranted. Concerns that the Fed was behind the curve should abate following a 50bps rate cut, which we believe materially takes the risk of recession off the table. While growth has decelerated in recent months, we believe the combination of US rates cuts, Chinese stimulus, and a weakening dollar will stabilize an already healthy economy and labor market in the US. Interestingly, both the ISM and the Financial Conditions Index (FCI) rose in September. Inflation is also poised to reaccelerate with the Shanghai Shipping Index and apartment rents moving higher. We suspect the Fed will be changing their tune on rate cuts by early 2025. In fact, we see a greater risk to no landing than a soft landing. These factors caused us to shift our portfolios more cyclical. However, the outcome of the US election will have a significant impact on future growth and inflation. Consequently, we will be ready to pivot again if necessary.

Historically, REIT performance is mixed during periods of accelerating inflation with better performance in periods of weaker growth than stronger growth, interest rates being the key variable. We believe rates are range bound between 3.5% and 5.0%, but that is predicated on not seeing inflationary government policies, such as tariffs. This cycle, we see REITs as being a better inflation hedge due to low new supply, creating a backdrop for sustained rent growth. With a base case of structurally higher inflation, we are underweight long lease duration and leverage in favor of economic sensitivity and business models that can generate income growth greater than inflation such as data centers, lodging, senior housing, advertising, office, home builders. We also favor regions with greater political stability such as the UK, Japan and the UAE.

At the end of the period, our largest overweights were home builder and lodging. We were most underweight to specialty finance and warehouse. From a regional perspective, our largest overweights were Developed Europe & Middle East ex UK and United Kingdom. We were most underweight to Developed Asia Pacific ex Japan and North America.

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, sectors or industries, or geographical regions may impact performance. **CURRENCY:** The value of the Fund may be affected by changes in

---

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: FTSE EPRA/NAREIT Developed.| 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.

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 currencyentails exchange risks. **HEDGING:** Any hedging strategy using derivatives may not achieve a perfect hedge. **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. **REAL ESTATE SECURITIES:** Real estate securities may be subject to the cyclical nature of real estate values; risk related to general and local economic conditions; overbuilding and increased competition; demographic trends; and increases in interest rates and other real estate capital market influences. **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.

©2024 Wellington Management. All rights reserved. As of 12 April 2024. WELLINGTON MANAGEMENT FUNDS ® is a registered service mark of Wellington Group Holdings LLP