



## Global pharmaceutical company

Delivers innovative health solutions to prevent and treat diseases

### WHAT IS IT?

A global biopharmaceutical company focused on developing important medicines and vaccines aimed at advancing the prevention and treatment of serious diseases.

### COMPETITIVE ADVANTAGE

The issuer has a strong commitment to research and development, which fuels continuous innovation. As a result, the company benefits from a well-diversified product range, with the company not reliant on a single drug. Furthermore, the depth of the issuer's late-stage drugs in its development pipeline is, in our view, stronger than its peers. This pipeline of innovative therapies may not only improve patient outcomes but also drive revenue growth. The issuer also benefits from a strong brand reputation, built over decades of delivering life-changing drugs, which translates into a sticky buyer base and stable sales. We believe these competitive advantages act as catalysts for stronger fundamentals, which may be supportive of the credit over time.

### KEY POINTS

- Diversified product range with a deep late-stage drug development pipeline
- Robust fundamentals and, in our view, attractively valued with meaningful upside potential
- Strong understanding and management of climate risks

<sup>1</sup> The portfolio does not have a sustainable investment objective. While the evaluation of Sustainability Risks through the analysis of ESG factors is part of the investment process, it may not necessarily result in the exclusion of a security. Please refer to the sustainability related disclosures for information on the commitments of the portfolio: <https://www.wellington.com/en/legal/sfdi>.

### CONSIDER THE RISKS

Investors should consider the risks that may impact their capital, before investing. The value of your investment may fluctuate from the time of the original investment. Please refer to the risks section enclosed. A decision to invest should take account of all the characteristics and objectives described in the prospectus and KIID/KID and/or offering documents.

### WHAT FACTORS LED TO A BUY DECISION?

Our security selection decisions are driven by a rigorous, bottom-up assessment of company valuations and fundamentals, as well as a thorough understanding of ESG and climate risks.<sup>1</sup> We identified this issuer as being attractively valued, relative to our understanding of the business fundamentals, as we believe the issuer has a demonstrably strong balance sheet with meaningful upside potential from their reinvigorated drug pipeline. In our view, the credit spreads, like the equity price, had failed to recognise the issuer's revenue and cash flow potential, especially relative to lower-quality peers. Furthermore, we felt that the issuer's environmental and sustainability strategy was under-appreciated by the market. For example, we took a favourable view on the company's governance, as the new CEO redefined the company's strategy and culture. The issuer has also demonstrated a strong understanding and management of climate risks, which included a strategy to reduce their carbon emissions. Collectively, the issuer's environmental and sustainability strategy could be supportive of the credit as these factors become recognised by the market.

### FOR PROFESSIONAL, ACCREDITED INVESTORS AND WHOLESALE CLIENTS ONLY.

This is a marketing communication. Please refer to the prospectus of the Fund and to the KIID/KID and/or offering documents before making any final investment decisions. Commentary provided is for illustrative purposes only and is not intended to constitute investment advice.



## 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):** 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. | **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. | **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:** 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.

Please refer to the fund prospectus and KIID/KID for a full list of risk factors and pre-investment disclosures.

The Wellington Global Credit ESG Fund seeks long-term total returns in excess of the Custom Bloomberg Global Aggregate Corporate (Fin 40% cap) USD/EUR/GBP 1% Cap USD 500M Min Index (ex Tier 1, Upper Tier 2, and Capital Credit securities) Index. The Investment Manager will actively manage the Fund, seeking to achieve the objective by investing primarily in a diversified portfolio of investment grade corporate debt instruments, including exchange-traded and over-the-counter derivatives.

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