WELLINGTON MANAGEMENT®

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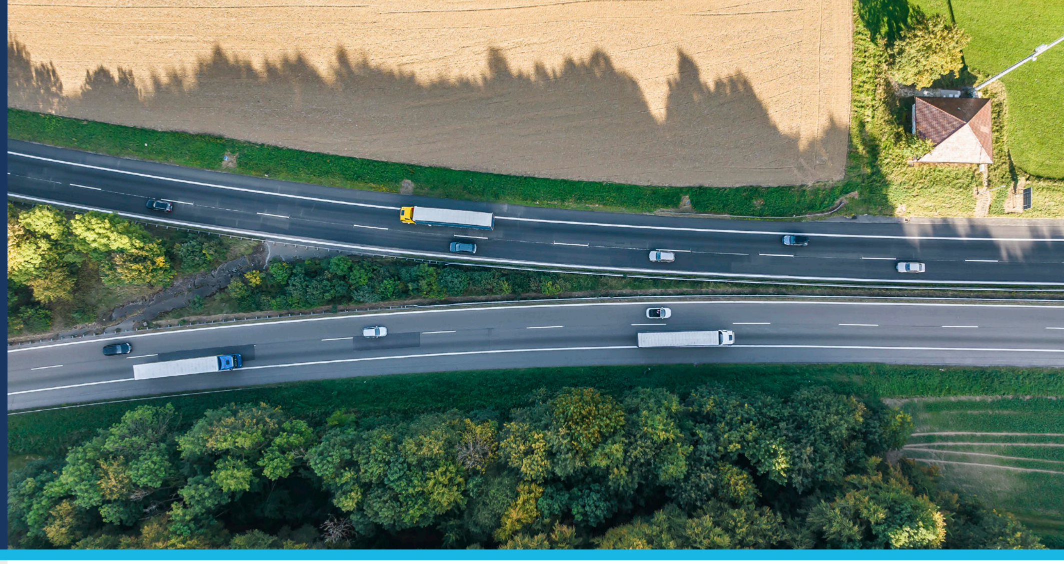

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Multi-strategy investing 101

Driven by their attractive risk and return profile in recent years, interest in multi-strategy hedge funds continues to grow. So, amid all this attention, what should potential investors know about these approaches?

In this paper, we briefly cover what multi-strategy approaches do, outline how and why they've been successful historically, and share a framework for how to incorporate these strategies in different portfolios.

What is a multi-strategy approach? A diversified and diversifying strategy[1]

Multi-strategy approaches are designed with the goal of delivering a consistent return outcome irrespective of underlying economic and financial market conditions. This means that whether equities or bonds go up or down in price, a modern multi-strategy fund seeks to remain immune to those fluctuations and deliver a positive and consistent performance outcome over time. So how does this work in practice?

We believe the key to success lies in the power of diversification. Often referred to as "the only free lunch in investing," diversification in a multi-strategy approach can be attained by allocating to a wide collection of independent, specialized trading strategies that seek to generate profits in different ways. This could mean investing in distinct asset classes, using systematic or fundamental investment processes, or trading with different time horizons. By combining a range of these unique strategies and tightly managing their aggregate risk, multi-strategy funds have the potential to provide considerable portfolio-level diversification.

Why consider a multi-strategy investment? Potential for consistency in the face of uncertainty.

We believe multi-strategy funds that seek to provide an all-weather profile are particularly important in today's persistent economic and geopolitical uncertainty. Elevated inflation, high levels of debt, and regional conflicts are among the macro trends that suggest we may continue to experience heightened volatility in financial assets for years to come. As shown in **Figure 1**, multi-strategy approaches have been a clear standout over the recent volatile period when compared to a traditional 60/40 asset allocation.

[1]Diversification and asset allocation do not ensure a profit or guarantee against loss.

FIGURE 1

Multi-strategy universe results versus hypothetical 60/40 portfolio

Three-year period ending 30 September 2024

	Multi-strategy multi-market top quartile	60/40 Portfolio
Annualized return (%)	12.58	6.59
Annualized volatility (%)	12.78	13.57
Correlation to equities	0.11	0.99

Source: eVestment. Data as of 30 September 2024. **PAST RESULTS ARE NOT NECESSARILY INDICATIVE OF FUTURE RESULTS.** Hypothetical 60/40 uses 60% of S&P 500 price 3Y annualized return/volatility as of 30 September 2024, and 40% of Bloomberg US Aggregate 3Y annualized return/volatility as of 30 September 2024. The S&P 500 Index is a market-capitalization-weighted index that measures the stock performance of 500 of the largest publicly traded companies in the United States. The Bloomberg US Aggregate Index is a broad-based benchmark that measures the performance of the US investment-grade bond market, including government, corporate, and mortgage-backed securities. This is for illustrative purposes only and does not reflect any actual portfolio or investment. This illustrative example has many inherent limitations and actual results of an actively managed 60/40 portfolio would likely differ. Indices and multi-strategy portfolios have many differences including differences in investmnet guidelines, holdings, and objectives. Further, indices are unmanaged and cannot be invested in directly. | Correlation looks at trailing 36-month returns. Hypothetical 60/40 portfolio uses 60% of S&P500 price monthly return and 40% of Bloomberg US Aggregate monthly return. | Top quartile determined by using percentile rank against like managers in the Multi-Strategy Multi-Manager universe in eVestment. Returns are reported in USD, net of fees, as of 30 September 2024. **The Fund is newly organized. Index performance is not indicative of fund performance.**

What roles do multi-strategy funds play?

The profile highlighted above can potentially have significant utility within a broader portfolio. This is especially relevant in periods when both stocks and bonds struggle simultaneously, as they have at times from 2021 – 2024. For investors considering these allocations, we see two potential applications for a multi-strategy portfolio:

1. **Potential return enhancement —** Given that observed returns (after fees) are in the high single to low double-digit range,[2] multi-strategy funds can offer the potential to increase a portfolio's aggregate results without assuming more risk (as noted in **FIGURE 1**).
2. **Potential diversification enhancement —** Moreover, with their generally uncorrelated historical return profile, multi-strategy funds may also serve as a tool to dampen portfolio volatility. We believe this role may be most pronounced in periods of market stress when portfolios with large allocations to risky assets like equities can often experience losses.

We believe adding a multi-strategy fund to an existing portfolio of equities and fixed income has the potential to both increase return and reduce risk. In both scenarios, this provides the potential to improve outcomes for clients over the long term.

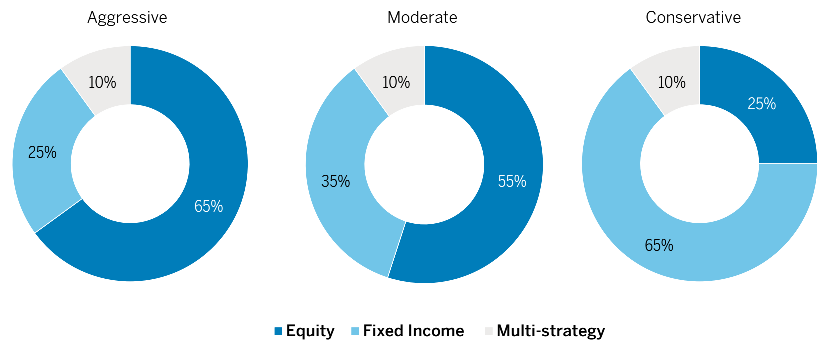
[2]The above statement is based on observed, net of fee objectives but before taxes and other individual investor considerations.

How to invest? The potential to address your specific portfolio needs.

So how should investors think about an allocation in the context of their existing portfolio? An important starting point is to evaluate which lever(s) — return enhancement and/or diversification enhancement — you need a multi-strategy investment to help pull. For example, aggressively tilted portfolios (those with considerably more equities than fixed income) may identify the need for more diversification without greatly sacrificing return potential (**Figure 2**) and thus fund from equities. Alternatively, conservative portfolios (those with more fixed income than equities) may desire to increase the return of the portfolio without losing the embedded diversification so might allocate from their fixed income assets.

Figure 2

Multi-strategy funds can play different roles depending on the allocations starting point



Potential role of multi-strategy		
Diversification enhancement (without sacrificing returns)	Return and diversification enhancement	Return enhancement (without sacrificing diversificaiton)

Source: Wellington Management. For illustrative purposes only. Actual weightings for each asset class will vary depending on an investor's specific portfolio goals. Diversification and asset allocation do not ensure a profit or guarantee against loss.

When to invest? Timing is not everything.

Unlike some traditional investments, multi-strategy funds are generally not expected to experience cyclical highs and lows the way that stocks and bonds do. To the contrary, they are typically designed with the goal of remaining immune, or uncorrelated, to whether stocks and bonds rise/fall. Thus, we believe it can be both difficult and unwise to "time" an investment in a multi-strategy fund. Waiting for an ideal entry point may also come at an opportunity cost given the potential benefits noted above and the possibility of higher volatility in today's environment.

Bottom line on multi-strategy hedge fund investments

We believe that, arguably, the need for and value of diversified investment options has never been higher. Elevated equity valuations, sticky inflation, and declining cash yields are all factors that may challenge today's investment playbook and justify seeking diversification outside of stocks and bonds. Given their potential structural market independence and ability to pivot across asset classes as opportunities arise, we believe that multi-strategy approaches are a compelling allocation for investors to consider.

The Wellington Global Multi-Strategy Fund has been organized as a continuously offered, non-diversified closed-end management investment company that is operated as an interval fund.

There can be no assurance that the Fund will achieve its investment objective.

The Fund is intended for financial advisors, institutional investors and others considered to be "qualified clients" within the meaning of Rule 205-3 under the Investment Advisers Act of 1940, as amended ("Advisers Act").

Investors should consider the investment objectives, risks, charges and expenses carefully before investing in a Wellington fund. For a prospectus with this and other information about the fund, please contact your financial advisor or visit our website at https://www.wellington.com/en-us/intermediary/interval-funds/wellington-global-multi-strategy-fund. Read the prospectus or summary prospectus carefully before investing.

- Unlike most closed-end funds, the Shares are not listed on any securities exchange. The Fund will provide liquidity through quarterly offers to repurchase a limited amount of the Fund's Shares (at least 5%). Although the Fund will make quarterly offers to repurchase, the number of Shares tendered in connection with a repurchase offer may exceed the number of Shares the Fund has offered to repurchase, in which case not all of your Shares tendered in that offer will be repurchased. Hence, you may not be able to sell your Shares when and/or in the amount that you desire.
- Shareholders should not expect to be able to sell their Shares in a secondary market transaction regardless of how the Fund performs. An investment in the Fund is considered to be of limited liquidity.
- An investor will pay a sales load of up to 5.00% on the amounts it invests in Class A Shares. If you pay the maximum aggregate 5.00% for sales load, you must experience a total return on your net investment of 5.27% in order to recover these expenses.
- The Fund may charge a performance fee on net profits including unrealized gains. There is a risk that such unrealized gains on which a performance fee is charged may never be realized.
- There is no assurance that annual distributions paid by the Fund will be maintained at the targeted level or that dividends will be paid at all.
- The Fund's distributions may be funded from unlimited amounts of offering proceeds or borrowings, which may constitute a return of capital and reduce the amount of capital available to the Fund for investment. Any capital returned to Shareholders through distributions will be distributed after payment of fees and expenses.
- The Fund's distributions may be funded from sources not available in the future, and such distributions may be unrelated to the Fund's performance.
- A return of capital to Shareholders is a return of a portion of their original investment in the Fund, and reduces the tax basis of their investment. As a result of such reduction in tax basis, Shareholders may be subject to tax in connection with the sale of Fund Shares, even if such Shares are sold at a loss relative to their original investment.
- The Fund's distributions may arise as a result of expense reimbursements provided by the Adviser, which are subject to repayment by the Fund. Shareholders should understand that any such distributions are not based on the Fund's investment performance and can only be sustained if the Fund achieves positive investment performance in future periods and/or the Adviser continues to make such expense reimbursements. Shareholders should also understand that the Fund's future repayments will reduce the distributions that a Shareholder would otherwise receive.
- Wellington funds are speculative, involve a high degree of risk, can be highly volatile and an investor can lose all or a substantial amount of their investment.

Wellington's interval fund is distributed by Foreside Fund Services, LLC.

Notes

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