



Verisk Analytics

Information services, delivering data-driven insights for modelling and pricing physical climate risks

FIRST BOUGHT

Since Fund inception, November 2018.

WHAT IS IT?

A leading North American data analytics provider to the property and casualty insurance market that provides actionable insights used to assess, price, and become more resilient to the physical risks of climate change.

WHY DO WE OWN IT?

Most of Verisk's revenue comes from its stable, downturn-resilient subscription software business, which features models that include more than 30 billion statistical records that stretch across over 100 countries, with the ability to drill down into address-level data and insights.¹ In addition, Verisk also offers tools for real-time event tracking, such as hurricanes and wildfires, to help clients better coordinate emergency responses. In an artificial intelligence-enabled future, we believe that the ownership of unique data will be a sustainable competitive advantage and Verisk's "give-to-get" model, in which customers contribute their own data in order to access Verisk's aggregated

dataset, is an enduring tailwind. Furthermore, our collaboration with Woodwell Climate Research Center highlighted that warmer ocean temperatures are fuelling more rapid intensification of hurricanes once formed, leading to more frequent and more severe major storms. This supports our view that companies such as Verisk have the potential to play an important role in both raising awareness of and pricing the increasing impact of physical climate risks.

COMPETITIVE ADVANTAGE – CLIMATE ADAPTATION

As a leading global data analytics and technology provider, Verisk has built a wide competitive moat from over 50 years of accumulating proprietary data and setting industry standards. This has been reinforced by a clear customer value proposition and network effects driven by a dominant market share² and high customer retention rate.³ Through its product offerings, Verisk is, in our view, uniquely positioned to benefit from megatrends such as artificial intelligence and climate change. During climate-related events such as hurricanes, Verisk can generate additional revenue for assessing damages and where to deploy resources in real time.

KEY POINTS FOR VERISK ANALYTICS

- Verisk has been recognised by USA Today and Statista as one of America's Climate Leaders 2023
- In February 2022, Verisk partnered with mortgage analytics firm RiskSpan to create a first-of-its-kind solution for measuring and mitigating the risks of climate change to the housing finance industry
- In April 2023, Verisk acquired Krug Sachverständigen GmbH, a Germany-based motor claims solutions provider, expanding its claims and casualty offerings across Europe

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. Please refer to the sustainability related disclosures for information on the commitments of the portfolio: www.wellington.com/en/legal/sfdr.

¹All information can be found on Verisk Analytics' website. | ² Verisk has a near monopoly in the property and casualty insurance market with a market share of 90%+, Jefferies Equity Research, 24 October 2022. | ³ Verisk has a retention rate for its Select Info Service subscription of around 96%, Jefferies Equity Research, 24 October 2022.

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. The example shown is presented for illustrative purposes only. It should not be assumed that an investment in the example has been or will be profitable. The commentary should not be taken as advice on an individual stock. Please refer to the annual and semi-annual report for the full holdings.



Risks

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Please refer to the fund prospectus and KIID / KID for a full list of risk factors and pre-investment disclosures. Please refer to the Fund offering documents for additional information on the risks associated with investing.

The Wellington Climate Strategy Fund is actively managed and seeks to deliver long-term total returns in excess of the MSCI All Country World Index while contributing to the environmental objective of climate risk mitigation (addressing the causes and minimising the possible impacts of climate change) and adaptation (aiming to reduce the negative effects of climate change or helping communities adapt to the impact of climate change), by investing in the equities of companies worldwide.

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