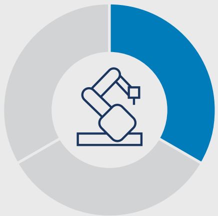
Shenzhen Inovance

Industrial automation, included as an enabler in the portfolio's automation and robotics theme.



INTRODUCTION

We seek to invest in themes that benefit from the structural forces driving long-term economic development in emerging markets. We break down economic development into three themes: **inclusion, innovation and sustainability**.

Forces of **innovation** relate to increasing the efficiency of available factors of production – through technology, education & institutional reform.

FIRST BOUGHT

February 2022

WHAT IS IT?

Chinese manufacturer of industrial automation products with dominant or growing market share in servo motor, inverter PC and industrial robotics businesses. Inovance remains a preferred supplier for automation hardware, serving Original Equipment Manufacturers (OEM) across industries, given its technological innovation and cost leadership in manufacturing.

KEY POINTS FOR SHENZHEN INOVANCE

- Inovance has grown revenues at ~40% CAGR over the past 5 years[1] and has been a consistent market share gainer relative to the broader industry.
- Highly innovative and competitively priced automation products have allowed Innovance to remain well positioned to ride the trend of China's manufacturing upgrades.
- Annual spending on research and development has been ~2x of its peer group[2], demonstrating its commitment to modelling products to solve industry specific pain-points.

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.

Source: [1] Factset, as of 30 September 2023. | [2] Wellington Management, as of 17 July 2023.

WHY DO WE OWN IT?

Rising labour costs have pushed China's manufacturing sector to increase investments on automation upgrades. We believe Inovance is well positioned to deliver these solutions through innovative implementations of computing and microelectronic technology to different industries. The company's automation products have helped OEMs and factory managers to increase efficiencies by facilitating process automation, precision, control and visibility. These cost savings can be translated down to the consumer, promoting greater affordability and accessibility of goods and services across end markets.

COMPETITIVE ADVANTAGE

Inovance has built up a competitive advantage in automation equipment supported by a commitment to investing in product development and factory capacity. The company's ability to manage capital expenditures despite industry cyclicality have allowed it to provide spare capacity to customers with sufficient lead time without compromising on customer service. Inovance has also seen traction in ramping up on delivering industrial software capabilities, serving its ambitions to become a one-stop-shop for automation needs across a wide range of industries.

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 company showcased is part of a diversified portfolio. 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

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. | **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. | **Emerging Markets**: Emerging markets may be subject to custodial and political risks, and volatility. Investment in foreign currency entails exchange risks. | **Equities**: Investments may be volatile and may fluctuate according to market conditions, the performance of individual companies and that of the broader equity market. | **Hedging**: Any hedging strategy using derivatives may not achieve a perfect hedge. | **Liquidity**: The Fund may invest in securities that are less liquid and may be more difficult to buy or sell in a timely fashion and/or at fair value. | **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. | **Small and mid-cap company**: Small and mid-cap companies' valuations may be more volatile than those of large cap companies. They may also be less liquid. | **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.

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 Emerging Market Development Fund seeks long-term total returns in excess of the MSCI Emerging Markets Index. The Fund is actively managed on an unconstrained basis, investing primarily in companies that we believe will benefit from themes relating to structural and economic development in emerging markets.

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