Deere

Capital goods, technological innovation around reducing its products' environmental impact

STEWARDSHIP

We believe this is defined by five elements, which together help companies maintain a long-term advantage:

- A strong management team
- An empowered board
- Good capital allocation
- A long-term mindset
- Consideration of all stakeholders

FIRST BOUGHT

Since Fund inception, January 2019.

WHAT IS IT?

A US-based manufacturer and distributor of equipment used in agriculture, construction, forestry, and turf care.

WHY DO WE OWN IT?

We view Deere[1] as a high-quality company, with a strong competitive moat driven by an extensive dealer network, best-in-class innovation, and a strong brand. Deere has a history of generating high and stable returns on equity (ROE) and we believe their investments in improving their agricultural technology differentiation have the potential to help maintain high returns into the future. We have a positive view of Deere's capital allocation, which has prioritised maintaining an 'A' rated balance sheet, supporting a healthy dividend and share buyback program, and reinvesting in the business to drive organic growth and inorganic growth through strategic bolt-on M&A.

KEY POINTS FOR DEERE

- An attractive business with strong brand recognition and technological advantage helping to protect its competitive moat
- Deere has transitioned from traditional machinery to machinery and software, showcasing the firm's adaptability and focus on long-term growth
- Deere is a superior steward that is investing in technology to support positive environmental outcomes, while also generating financial benefits for Deere and its customers

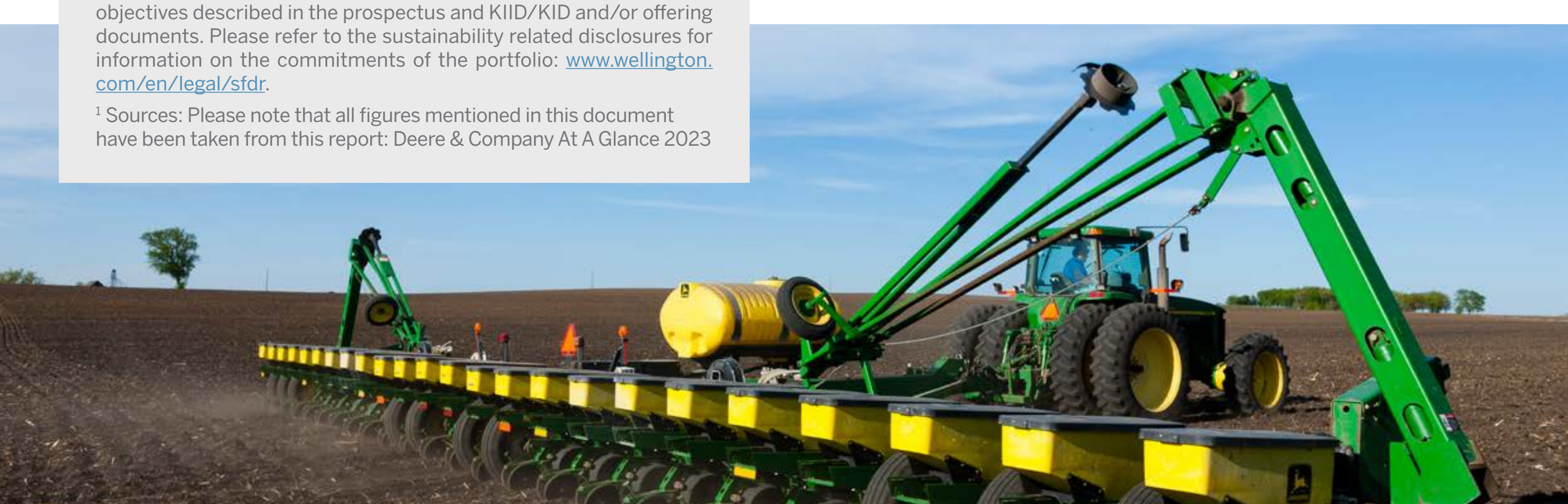
CONSIDER THE RISKS

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. Past performance is not a guide to future performance. 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.

[1] Sources: Please note that all figures mentioned in this document have been taken from this report: Deere & Company At A Glance 2023

STEWARDSHIP AS A COMPETITIVE ADVANTAGE

In our view, Deere has a strong management team. John May has been part of Deere's senior management team since 2012, its CEO since November 2019 and Chairman since May 2020. Under his leadership, Deere has reorganised and decentralised operations to become solutions-oriented rather than product-oriented with a greater focus on what is important to their customers. Deere has reinvested capital wisely into innovation that reduces the environmental impact of Deere's machinery while also benefiting the end client. Deere has developed less fuel-intensive machines, more targeted and accurate spraying technology and increased use of software and artificial intelligence to improve agricultural yield and reduce pesticide and fertiliser use. In addition, Deere's 'Leap Ambitions' goals by 2026 and 2030, focused around its financial and sustainable outcomes, illustrate its long-term mindset.



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 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. | **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 Stewards Fund is actively managed and seeks to deliver long-term total returns in excess of the MSCI All Country World Index by investing in the equities of companies globally, that generate high return on capital relative to their peers, and whose management teams and boards display superior stewardship to sustain those returns over time. We define stewardship as how companies balance the interests of all stakeholders (customers, employees, communities and the supply chain) in the pursuit of profits and how they incorporate material environmental, social and/or governance (ESG) risks and opportunities in their corporate strategy. The Fund targets net zero emissions by 2050 in alignment with the Paris Agreement.

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