



Laureate Education

Consumer services, delivering high-quality degree and vocational training programmes in Latin America

FIRST BOUGHT

Since Fund inception, December 2021.

WHAT IS IT?

A leading provider of accessible, high-quality degree programmes in Latin America.

WHY DO WE OWN IT?

Laureate Education¹ provides a diverse range of offline (campus-based) degree programmes at various prices, from undergraduate and postgraduate courses to technical and vocational training. The company enrolls around 400,000 students per year across its five institutions in Mexico and Peru and equips students with relevant skills for the current and future workforce. Its institutions are contributing to a prosperous future through its commitment to academic quality and innovation, developing initiatives to offer free and low-cost services to vulnerable communities, and creating innovative products that contribute to improving the lives of the communities they serve while protecting the environment.

KEY POINTS FOR LAUREATE

- Large markets with low penetration rates in higher education, including a **42%** market share for private institutions in Mexico against the country's population of around **129 million**
- **\$324 million** provided in scholarships and discounts to students in Mexico and Peru in 2022
- **Over 988,000** student volunteer service hours in local communities across Mexico and Peru in 2022

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.

¹All figures mentioned in this document have been taken from Laureate's website, as of 30 September 2023. | ² Its operations, comprised of Torrens University and Think Education (Australia) and Media Design School (New Zealand), were sold to Strategic Education, 5 November 2020. | ³ Laureate sold Walden University to Adtalem Global Education, 12 August 2021.

These institutions include UNITEC, the largest private university in Mexico with more than 90,000 students, and UPC, which MERCO has ranked as the most reputable university in Peru for three consecutive years.

COMPETITIVE ADVANTAGE – EDUCATION

Following a period of rapid international expansion, Laureate has undertaken a divestment process and sold most of these assets, delivering cash back to shareholders through dividends and share repurchases; assets sold include Laureate's Australia and New Zealand operations², and Walden University³. Post-divestment, Laureate has been able to operate with a much leaner focus. We believe that this should allow the management team to execute on better operational performance. When combined with a post-COVID recovery, this also has the potential to lead to strong top-line growth and more operating leverage. Incremental growth opportunities should come from the company's focus on increasing the mix of digital learning relative to on-campus learning. Since the company is funded by internal cash-flow generation, and without large-scale investments in campus expansions, we believe this should support medium-term revenue growth.

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 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

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. | **Investment in China:** Changes in Chinese political, social or economic policies or securities law and regulations may significantly affect the value of the Fund. Chinese securities may be subject to trading suspensions which could impact the Fund's investment strategy and affect performance. Chinese tax law is applied under policies that may change without notice and with retrospective effect | **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:** 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 Next Generation Education Fund is actively managed and seeks long-term total returns in excess of the MSCI All Country World Index, primarily investing in companies that enable the provision of education services and are positioned to benefit from drivers of structural change across developed and emerging markets.

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