



# Board of Retirement Regular Meeting

## Sacramento County Employees' Retirement System

---

### Agenda Item 23

**MEETING DATE:** August 16, 2023

**SUBJECT:** Global Equity Manager Recommendation

**SUBMITTED FOR:**  Consent  **Deliberation and Action**  **Receive and File**

---

### **RECOMMENDATION**

- Approve an investment of approximately \$75 million with Allspring Global Investments (Global Closed End Fund Equity Strategy) and authorize the Chief Executive Officer to execute necessary documents and agreements; and,
- Authorize Staff to determine the most effective method for transitioning assets and execute any necessary documents or agreements to effectuate the transition of assets.

### **PURPOSE**

This item provides a manager recommendation for the Global/Unconstrained segment of the Global Equity asset class, which the Board previously authorized as part of the 2023 annual investment plan to bring the allocation toward the 4% target. This item complies with SCERS' Master Investment Policy Statement implementation protocols for public equity investment managers to have Staff and Consultant perform due diligence and make investment manager recommendations to the Board for consideration and approval.

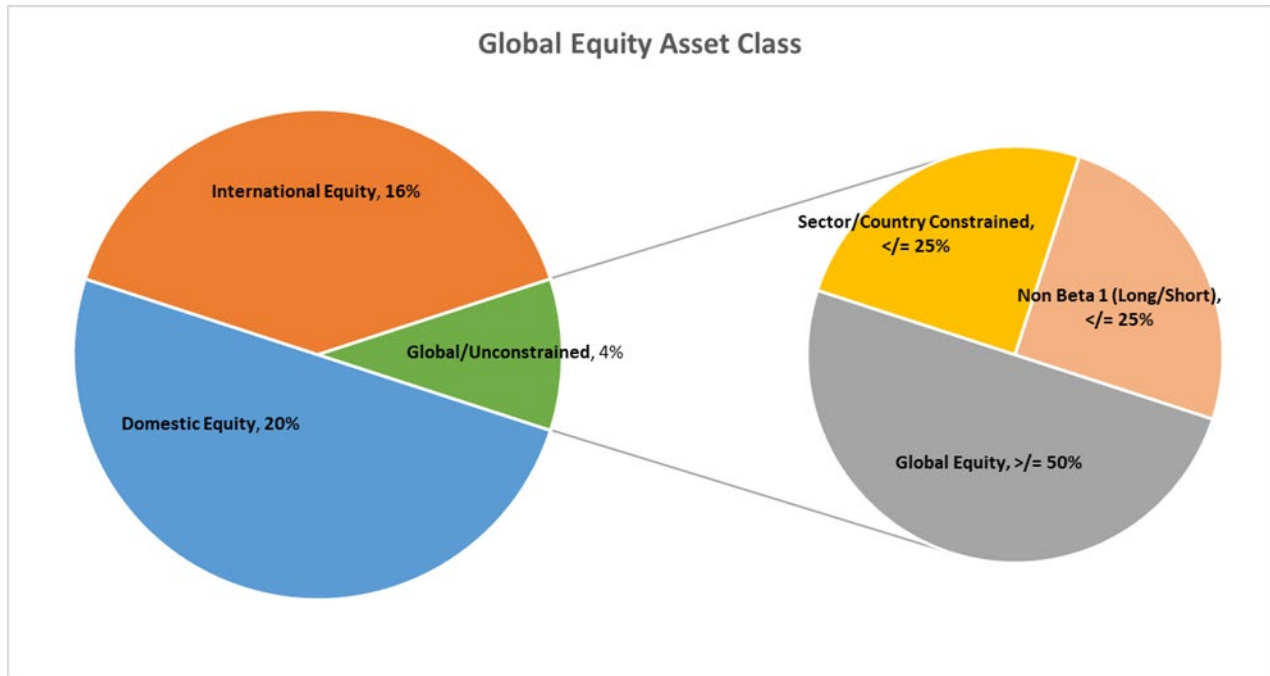
### **BACKGROUND**

The investment objectives of the Global/Unconstrained Equity sub-asset class, which is a component of the Global Equity asset class, and resides within the Growth asset category, include the following:

- Enhance total fund performance.
- Invest in a diversified portfolio of global equity securities, across investment styles and market capitalizations, through externally managed strategies.
- Earn net returns in excess of equity index benchmarks, primarily from the selection of investment managers.
- Maintain reasonable levels of aggregate risk, as measured through standard deviation and tracking error.

The structure for SCERS' Global Equity asset class and Global/Unconstrained Equity sub-asset class are presented below.

| Asset Class                 | Target % | Range     |
|-----------------------------|----------|-----------|
| Global Equity               | 40%      | 36% - 44% |
| Sub-Asset Class             | Target % | Range     |
| Domestic Equity             | 20%      | 18% - 22% |
| International Equity        | 16%      | 14% - 20% |
| Global/Unconstrained Equity | 4%       | 1% - 6%   |



As part of the 2023 Annual Investment Plan presented at the November 2022 Board meeting, the Board approved Staff’s objective to recommend additions to the Global/Unconstrained segment of Global Equity asset class, to increase the allocation toward the 4% target. The Global/Unconstrained segment of Global Equity includes the potential for up to 50% of the segment to be allocated to “unconstrained” strategies, which are distinct from traditional long-only equity mandates. Examples of unconstrained strategies include non-beta 1 (equity long/short), sector specific, and niche strategies. The recommended Allspring strategy represents a niche strategy. The goal for unconstrained allocations is to take advantage of unique opportunities to enhance overall fund performance.

SCERS is currently in the process of redeeming from the only unconstrained mandate within the Global/Unconstrained segment of Global Equity (Third Point Asset Management). With the redemption from Third Point, the allocation to the Global/Unconstrained sub-asset class is approximately 1.9%, comprised of two traditional long-only global equity mandates (Artisan Partners and Nikko Asset Management), below the target of 4%, with capacity for additional allocations to unconstrained and/or traditional global equity strategies.

## **MANAGER SEARCH SUMMARY**

Due to the unique nature of the Allspring Closed-End Fund (CEF) strategy, without other institutional quality competitors in the space, the manager selection process focused on the evaluation of Allspring in isolation, versus the comparative analysis often performed for most traditional public equity managers. Staff was first introduced to the Allspring CEF strategy via Verus several years ago. With the formation of SCERS' Global/Unconstrained segment in 2021, and the launch of the Allspring Global CEF strategy in September 2022, the dialogue with Allspring increased, ultimately leading to more extensive due diligence performed during the first half of 2023. The unique nature of the investment strategy, with idiosyncratic drivers of returns, is an ideal fit for the unconstrained segment of SCERS' Global Equity asset class.

Staff and Verus performed extensive due diligence on Allspring, which included several meetings with the Allspring investment team, both via video conference and in-person at the Allspring offices in Richmond, Virginia. Staff and Verus reviewed manager information sourced from both investment manager databases and received directly from Allspring. Verus also conducted operational due diligence on Allspring prior to the recommendation.

## **RECOMMENDATION SUMMARY**

Staff and Verus recommend an investment of \$75 million into the Allspring Global Investments Global Closed-End Fund strategy. With the addition of Allspring, the Global/Unconstrained segment will have three active allocations. The \$75 million allocation to Allspring will bring the Global/Unconstrained portfolio to approximately 2.5%, with room for additional allocations to reach the target of 4%. Staff and Verus continue to explore managers and strategies and anticipate making additional recommendations to this segment of the portfolio over the following year.

Allspring constructs a diversified portfolio of closed-end funds trading at a discount to the market value of underlying securities held in the funds. The Allspring strategy only invests in closed-end funds listed and traded in developed markets, primarily the U.S., Canada, and the U.K. The strategy typically invests in 75-125 closed-end funds, which allows the strategy to construct a portfolio that minimizes sector and geographic differences versus the MSCI ACWI benchmark.

## **MANAGER REVIEW**

The Verus report includes a detailed review of Allspring. Below is summary review by Staff.

## **ALLSPRING GLOBAL INVESTMENTS**

### **Firm and Team**

Allspring, headquartered in Charlotte, North Carolina, is a global investment platform offering equity, fixed income, money market, and alternative strategies to investors. Allspring became an independent business in 2021 when Wells Fargo decided to spin-out its asset management business. Following the transaction, which included the rebranding to Allspring, the firm is owned primarily by private equity firms GTCR (50%) and Reverence Capital (20%). Allspring employees

have a 20% ownership stake, and Wells Fargo retained 10% ownership. Allspring has over \$466 billion in assets under management, 23 offices globally, and over 450 investment professionals.

The Closed-End Fund investment strategy, which has \$5.4 billion in AUM, is led by Eric Harper (Managing Director, Lead PM). Mr. Harper has over 27 years investment experience, joining the predecessor firm Wells Fargo Asset Management (WFAM) in 2000 and previously holding a similar role at Tattersall Advisory Group. The other portfolio managers on the strategy, Mehmet Camurdan and Scott Eldridge, joined WFAM in 1999 and 2016, respectively. Mr. Harper and Mr. Camurdan previously worked together at Tattersall Advisory Group and have worked together managing the strategy for over 20 years. Mr. Eldridge has over 27 years industry experience, previously holding roles as director and portfolio manager at Invesco PowerShares and Caprin Asset Management.

Allspring takes a team approach to managing the strategy. All portfolio managers have extensive experience and have worked together for many years. Changes to the portfolio are made by majority decision, with the primary factor being the relative attractiveness of a closed-end fund's discount relative to its history and relative to other peer funds historical discount to NAV.

## **INVESTMENT STRATEGY**

### **Philosophy & Approach**

The Allspring CEF investment strategy focuses on closed-end equity funds trading at a discount to the market value of underlying securities held in the funds. Closed-end funds are a type of mutual fund that issues shares to raise capital for the initial fund investment. The closed-end fund invests in public equity securities, with the fund trading on public market exchanges. The share price for the CEF is driven by market forces and often varies from the underlying fund net asset value (NAV). The NAV is calculated based on the market value of the underlying securities held in the fund, while the CEF share price often trades at a discount or premium to NAV. The share price deviation from market value creates an opportunity to purchase the fund at a discount and generate returns as the discount narrows.

The primary focus for generating excess returns is by purchasing CEFs at a discount to the funds' underlying net asset value (NAV). Inefficiencies in the CEF market allow the share price of exchange traded CEFs to trade at a discount or premium to NAV. The Allspring investment team utilizes a proprietary quantitative model that calculates and tracks the NAVs of exchange traded CEFs, identifying investment opportunities. Additionally, the investment team performs fundamental analysis when evaluating underlying fund investments. Investing in CEFs that trade at a discount to NAV provides a unique and repeatable source of alpha.

The Allspring management team will also occasionally take an activist approach to help close the discount to NAV and generate returns. The activist approach can involve working directly with fund management and/or challenging management via a proxy contest. In either case, the goal is to help facilitate the fund discount to narrow and drive performance for investors.

In addition to the CEF discount, the strategy also benefits from investing in funds that outperform their underlying index benchmark. Portfolio managers of CEFs are incentivized to generate outperformance versus the benchmark, similar to other actively managed equity strategies. Issuers of CEFs are often large investment firms, and outperformance of existing CEFs provides a greater opportunity to issue new CEFs in the future and generate larger AUM. The Allspring investment team has extensive experience and knowledge of the CEF market, which contributes to selecting underlying funds with a proven ability to generate outperformance versus the benchmark, in addition to understanding premium/discounts to NAV, adding another lever of potential alpha generation.

### **Research Process**

The research effort is predominately focused on identifying pricing discrepancies within the closed-end fund universe. The Allspring team utilizes a proprietary quantitative model, which continually calculates the Net Asset Values (NAV) of exchange traded closed-end funds, identifying opportunities when the fund share price trades below its NAV. The CEFs are then evaluated from a fundamental and qualitative perspective based on the extensive experience of the portfolio management team. The model is continually reviewed and enhanced in response to changing market dynamics.

In addition to evaluating a funds discount level on an absolute basis (versus its own history), CEFs are grouped into categories based on the funds objective (specific geography or sector, for example). Grouping funds by objective helps to evaluate a funds discount level relative to other similar funds, versus only selecting funds with the highest discounts without factoring in broader market dynamics. This allows the Allspring team to select the highest quality assets at the most attractive discount levels, and constructing a diverse portfolio of CEFs.

Approximately 90% of research is developed internally, while approximately 10% is obtained from external sources. The strategy's sector allocation decision process is 100% bottom-up. The investment process does not require a top down "view" of the markets or currencies, however Allspring does have policies to ensure that portfolios are within client guidelines for geographical allocations.

### **Portfolio Construction**

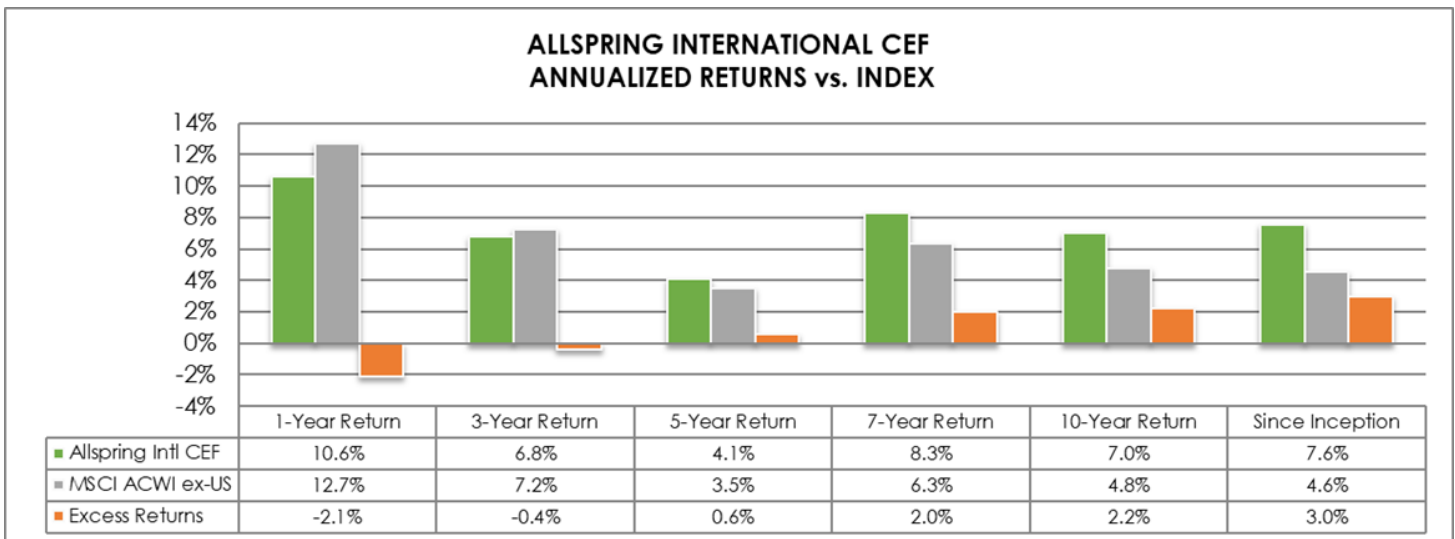
The Allspring strategy employs a fund of funds approach to build a diversified portfolio of 75-125 equity closed-end funds, which collectively represent over 2,000 underlying securities. By investing in a pool of funds, the overall portfolio has exposure to a wide range of investment styles and market capitalization (i.e. growth, value, large-cap, small-cap). The diverse nature of the CEF universe allows Allspring to construct a portfolio that sharply reduces the risk of individual stocks, sectors, or countries adversely affecting the portfolio's overall performance. The global strategy takes into account the sector and country exposure of the MSCI ACWI benchmark, which helps mitigate risk and meet the goal of generating excess returns above the benchmark.

The CEF universe consists of over 500 closed-end funds. The Allspring CEF strategy only invests in CEFs listed and traded in developed markets, primarily the U.S., Canada, and the U.K. The large number of CEFs available allows the Allspring team to construct a diversified

portfolio of CEFs, which minimizes sector and geographic differences versus the benchmark. The strategy seeks to generate excess returns driven by the narrowing of fund discounts and selection of top performing CEFs, while minimizing tracking error versus the benchmark, thus generating attractive risk-adjusted returns. The strategy will only invest in CEFs when there is an attractive return opportunity and will utilize exchange-traded funds (ETFs) as necessary to maintain market exposure across geographies and sectors and reduce portfolio risk relative to the benchmark.

**PERFORMANCE**

The Allspring Global strategy was launched in September 2022, so therefore doesn't have a meaningful performance track record to reference. The performance referenced below is for the MSCI ACWI ex-US strategy (international developed and emerging markets, excluding the U.S.), which has the largest AUM at approximately \$2.4 billion, and an inception date of October 2009. The Global strategy essentially pairs the ACWI ex-US strategy with the U.S. All Cap strategy, with the relative weights approximating the MSCI ACWI benchmark, which is 60% U.S. and 40% International as of June 2023.



Source: Allspring and SCERS, as of June 30, 2023

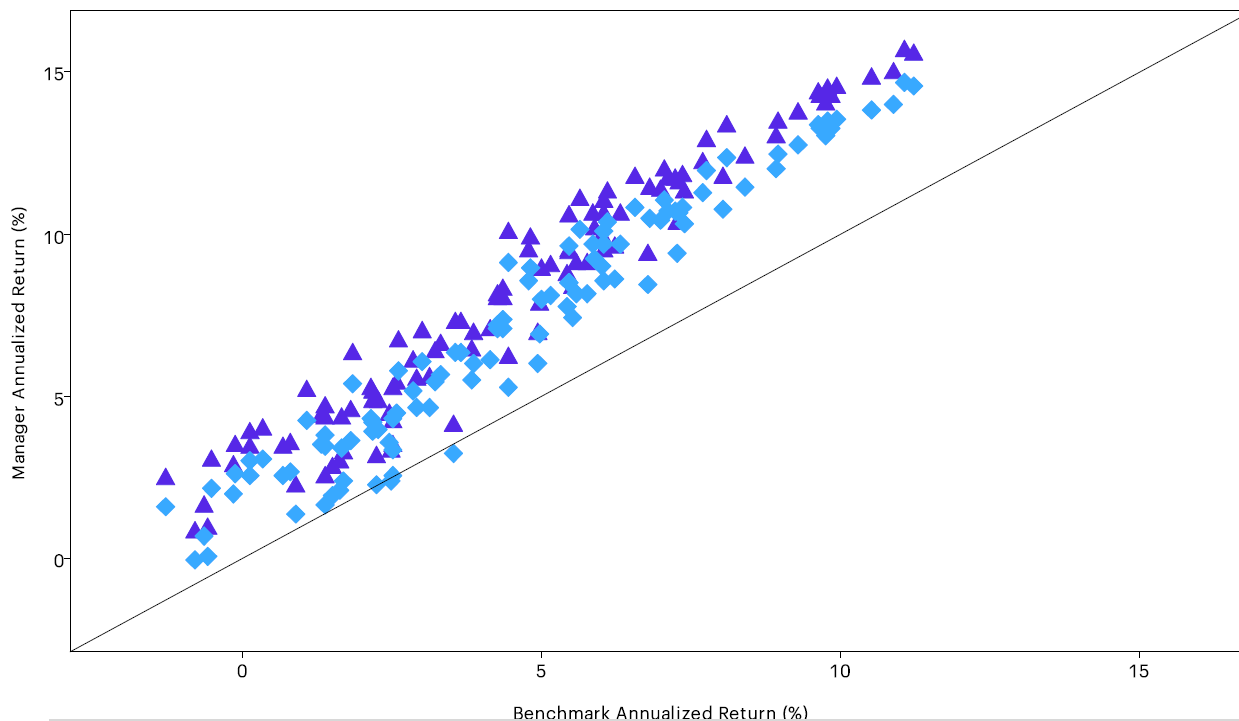
Despite underperforming in the short term, the strategy has delivered strong excess returns over extended time periods with moderate levels of risk, resulting in top-tier risk-adjusted returns. Over the past 10 full calendar years, the strategy has outperformed the benchmark in eight years, resulting in 2.9% annualized excess returns over that time<sup>1</sup>. Over the longer term, relative to the ACWI ex-US equity manager peer universe, the Allspring International strategy ranks in the top quartile for tracking error (below 4%) and the top quartile for Information Ratio<sup>2</sup>.

<sup>1</sup> Outperformance versus the MSCI ACWI ex-US strategy for the 10-year period ending December 31, 2022.

<sup>2</sup> Information Ratio (IR) measures excess returns above a benchmark compared to the volatility of those returns. Information Ratio is calculated as the return on a portfolio above the return of the benchmark divided by tracking error. Tracking error measures the standard deviation (volatility) of the excess returns.

Additionally, over rolling five-year time periods, the strategy has consistently delivered outperformance versus the benchmark (see chart below).

*Rolling 5-Year Annualized Returns vs. Benchmark. Source: Allspring, as of June 30, 2023*



**Performance Risk & Efficiency Measures**

| Description        | 1 Yr   | 3 Yr  | 5 Yr  | 7 Yr  | 10 Yr | SI    |
|--------------------|--------|-------|-------|-------|-------|-------|
| Annualized Returns | 10.60% | 6.82% | 4.09% | 8.30% | 6.98% | 7.56% |
| Annualized Alpha   | -1.75  | -0.50 | 0.51  | 1.60  | 2.08  | 2.88  |
| Beta               | 0.99   | 1.04  | 1.06  | 1.07  | 1.03  | 1.02  |
| Sharpe Ratio       | 0.34   | 0.30  | 0.13  | 0.41  | 0.38  | 0.42  |
| Information Ratio  | -0.54  | -0.09 | 0.14  | 0.53  | 0.61  | 0.83  |
| Tracking Error     | 3.92   | 4.35  | 4.08  | 3.71  | 3.66  | 3.59  |
| Upside Capture     | 93     | 102   | 108   | 112   | 108   | 108   |
| Downside Capture   | 100    | 103   | 104   | 102   | 97    | 94    |

*Source: SCERS, eVestment, as of June 30, 2023*

| Description        | 1 Yr  | 3 Yr | 5 Yr | 7 Yr | 10 Yr | SI   |
|--------------------|-------|------|------|------|-------|------|
| Annualized Returns | 10.60 | 6.82 | 4.09 | 8.30 | 6.98  | 7.56 |
|                    | %     | %    | %    | %    | %     | %    |

---

|                   |       |       |      |      |      |      |
|-------------------|-------|-------|------|------|------|------|
| Annualized Alpha  | -1.75 | -0.50 | 0.51 | 1.60 | 2.08 | 2.88 |
| Beta              | 0.99  | 1.04  | 1.06 | 1.07 | 1.03 | 1.02 |
| Sharpe Ratio      | 0.34  | 0.30  | 0.13 | 0.41 | 0.38 | 0.42 |
| Information Ratio | -0.54 | -0.09 | 0.14 | 0.53 | 0.61 | 0.83 |
| Tracking Error    | 3.92  | 4.35  | 4.08 | 3.71 | 3.66 | 3.59 |
| Upside Capture    | 93    | 102   | 108  | 112  | 108  | 108  |
| Downside Capture  | 100   | 103   | 104  | 102  | 97   | 94   |

## **MANAGEMENT FEES**

For an investment with Allspring, SCERS will utilize a separately managed account structure with assets held by SCERS' custodian. Allspring offers either a flat base management fee or performance based fee structure. For an account size of \$75 million, the base management fee would be equal to 60 basis points (0.60%). Under the performance fee structure, the base fee would be lower but would allow Allspring to earn increased compensation dependent on performance above the benchmark index.

Staff and Verus recommend a performance based fee structure with Allspring. The break-even level where the performance based fee and standard flat fee are equivalent is at approximately 2.5% excess performance. Allspring can earn a higher overall fee based on greater levels of outperformance above the benchmark. The performance fee does include a cap, which provides for a maximum amount of management fees that would be paid by SCERS. Recommendation of the performance based fee is dependent upon the successful negotiation of all terms of how the fee is calculated. If an agreement on terms for the performance based fee cannot be reached, then the standard base management fee would apply.

## **TRANSITION OF ASSETS**

SCERS' Global Equity portfolio is below the 40% target allocation, at 39.2% as of July 31, 2023. The Global/Unconstrained segment is below the 4.0% target allocation, at 1.9% excluding the allocation to the other Unconstrained mandate, which is in the process of being liquidated. With the underweight allocation, the majority of the funding for the Allspring mandate will come from existing cash. Cash proceeds from the Third Point redemption will be received over the next several quarters and will be available for other investment and cash needs across SCERS' portfolio. With cash available to fund the Allspring mandate, no other transaction steps are necessary to implement the mandate.

For implementation of the mandate, SCERS' often utilizes the services of a transition manager to facilitate the initial purchase of securities. The transition manager runs a pre-trade analysis to evaluate liquidity of securities and potential implementation costs, which is compared to cost estimates provided by the manager. The use of a transition manager can also help minimize impacts to performance during the implementation by equitizing cash in instances where securities have less liquidity and initial purchase of securities needs to be extended. Per



discussion with Allspring, other clients have also utilized transition managers and they are amenable to this approach.

### **SUMMARY**

Staff and Verus believe that adding Allspring's Global Closed-End Fund strategy will enhance SCERS' Global Equity asset class. Allspring has managed the CEF strategy over many years and delivered strong performance with moderate levels of risk versus the equity index benchmarks. The Board will have the opportunity to hear from Allspring directly at the August Board meeting and ask any questions, prior to considering the recommendation.

Pending Board approval, and the successful legal review and negotiation of an investment management agreement, Staff will target funding the new mandates at the end of September 2023. Staff also seeks Board approval for the CEO to execute any necessary documents or agreements to effectuate the transition.

### **ATTACHMENTS**

- Board Order
- Verus Manager Recommendation
- Verus Due Diligence Summary
- Verus Manager Search Presentation
- Allspring Presentation

Prepared by:

*/S/*

---

Brian Miller  
Senior Investment Officer

*/S/*

---

Steve Davis  
Chief Investment Officer

Reviewed by:

*/S/*

---

Eric Stern  
Chief Executive Officer



# Retirement Board Order

## Sacramento County Employees' Retirement System

---

Before the Board of Retirement  
August 16, 2023

AGENDA ITEM:

### Global Equity Manager Recommendation

THE BOARD OF RETIREMENT hereby approves Staff's recommendation to approve an investment of approximately \$75 million with Allspring Global Investments (Global Closed End Fund Equity Strategy) and authorize the Chief Executive Officer to execute necessary documents and agreements; and authorize Staff to determine the most effective method for transitioning assets and execute any necessary documents or agreements to effectuate the transition of assets.

I HEREBY CERTIFY that the above order was passed and adopted on August 16, 2023 by the following vote of the Board of Retirement, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

ALTERNATES:  
(Present but not voting)

---

Board President

---

Eric Stern  
Chief Executive Officer and  
Board Secretary

# Memorandum

**To:** Sacramento County Employees’ Retirement System (SCERS) Board  
**From:** John Nicolini, Senior Consultant  
 Brian Kwan, Senior Consultant  
**Date:** August 16<sup>th</sup>, 2023  
**RE:** Global Equity Search and Recommendation

---

**Executive Summary**

*In December 2021, SCERS Board approved a new Global Unconstrained equity allocation within the Global Equity asset class. As part of the build-out of the Global Unconstrained portfolio within SCERS’ public equity allocation, Staff and Verus are recommending the Board approve the hiring of one additional manager to compliment two existing strategies in Global Unconstrained. Staff and Verus had been familiar with Allspring’s closed-end fund (CEF) strategy series for several years and saw an interesting opportunity to allocate to the relatively new global closed-end product. Unlike most equity strategies that rely on some degree of inefficiencies in the stock market to add value, Allspring CEF capitalizes on inefficiencies in the closed-end fund market. The result is a high degree of alpha that has little correlation with the excess returns of traditional stock picking strategies.*

| <b>Asset Class</b>                 | <b>Target Allocation</b> | <b>Strategy Target Allocation</b> |
|------------------------------------|--------------------------|-----------------------------------|
| <b>Global/Unconstrained Equity</b> | <b>4.0%</b>              |                                   |
| Artisan Global Opportunities       |                          | 1.0%                              |
| Nikko AM Global Equity             |                          | 1.0%                              |
| Allspring Global CEF               |                          | ~0.5%                             |
| TBD                                |                          | ~1.5%                             |

**Search Summary**

Unlike in prior manager recommendations that involved a broad universe search and narrowing down of opportunities, Verus and SCERS Staff had an existing familiarity with the Allspring Closed-end Fund team and saw an interesting fit within the Global/Unconstrained Equity portfolio. The goal of the Global/Unconstrained portfolio is to find both compelling long-only/long-biased global equity strategies and equity strategies that don’t fit neatly into a particular style or capitalization box. Currently, the portfolio has two “traditional” global equity strategies in Artisan and Nikko so the addition of Allspring is expected to deliver a unique source of “alpha” that is uncorrelated to the broader public equity portfolio.

One of the nuances of managing a closed-end fund strategy are the liquidity constraints. Many of the closed-end funds have a small share float so trading in large quantities can have a material impact on the share price and thus the discount/premium to NAV. This headwind to

scaling is likely a reason there are few competitors in the CEF space. We believe Allspring has been prudent in managing their AUM growth and preserving alpha opportunities for existing investors. Allspring's longest track record and highest assets under management is their International CEF strategy, which has been effectively closed to new investors for years. Allspring launched a U.S. CEF strategy in 2020. The team launched a Global CEF strategy in 2022 which is a blend of their International and Domestic CEF strategies. We gained comfort in the short track record and low AUM in the Global strategy through their success in managing International and U.S. products. The low AUM we view as more of an asset as we recognize the liquidity constraints inherent in this strategy's success.

Attached to this memo is an investment due diligence summary on the Allspring Global CEF strategy and a performance book showing historical returns for other Allspring CEF strategies with longer track records. A separate operation due diligence summary is provided to Staff.

*Background on closed-end funds:*

Closed-end funds are pooled investment funds that trade on listed exchanges (ex. NYSE, NASDAQ) like a stock. The funds have a fixed number of shares, so unlike mutual funds, do not take in new assets. Instead, investors buy/sell the closed-end funds if they want exposure to a particular fund strategy. The closed-end funds hold shares in listed stocks, managed by a fund manager (ex. Fidelity, JPMorgan, etc.) and the value of those stocks (plus any cash or other securities) comprises the fund net-asset-value (NAV). At times, the closed funds trade at premiums or discounts to the value of the Fund's NAV. When they trade at a discount, that can often be an interesting buying opportunity for investors like Allspring to purchase the Fund and hold till the price moves back to NAV.

**Verus Summary and Recommendation**

Staff and Verus have performed and completed a thorough review of Allspring Global CEF and are recommending to the SCERS Board an investment of \$75 million.



# **PERSPECTIVES THAT DRIVE ENTERPRISE SUCCESS**



**August 2023**

Global Equity

**Sacramento County Employees' Retirement System**

# Manager overview

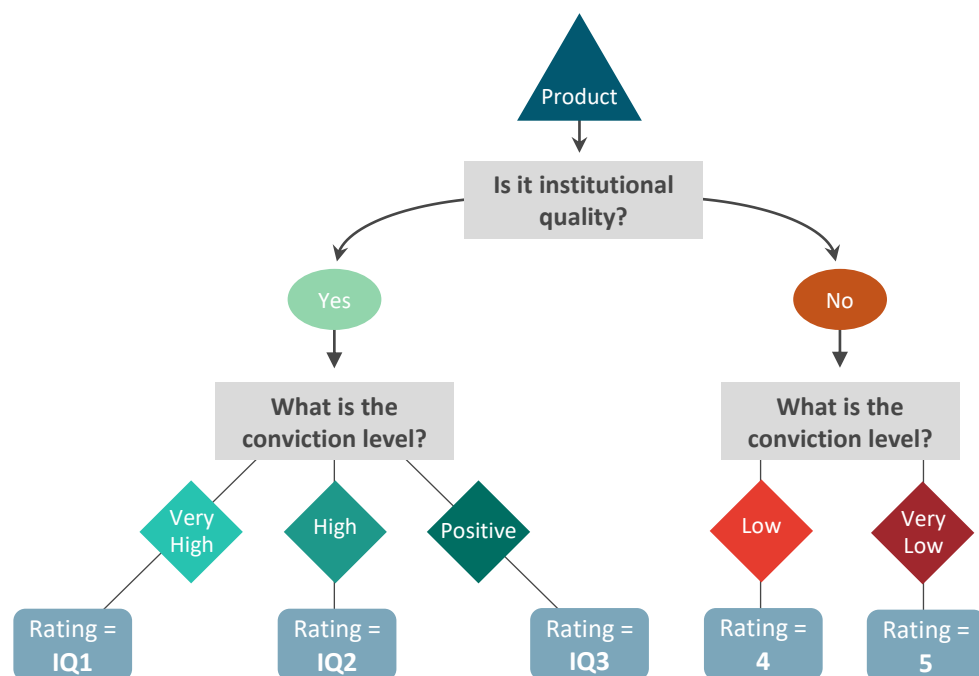
# Manager rating system

## The IQ Rating System communicates our conviction in investment products

There are two components to the rating:

- Institutional quality** – (IQ) The product meets or exceeds the standards of fiduciary care required by institutional investors and is suitable for use in clients’ portfolios.
- Conviction** – (1 to 5) Represents the conviction of our research teams in the distinguishing qualities of the product relative to its peers, with 1 as the highest rating and 5 the lowest.

### PROCESS



Rating process simplified for illustrative purposes only

### DEFINITIONS & GUIDELINES

| Rating | Institutional Quality? | Conviction Level | Defining Characteristics   | Recommendations   |
|--------|------------------------|------------------|--|---|
| IQ1    | Yes                    | Very High        | Earns Verus’ highest conviction. Above-average characteristics most likely to achieve the strategy’s desired investment results. | Recommended for use in client portfolios. May be used in Verus discretionary portfolios.  |
| IQ2    | Yes                    | High             | Maintains Verus’ high conviction. Above-average characteristics most likely to achieve strategy’s desired investment results.    | Recommended for use in client portfolios. May be used in Verus discretionary portfolios.  |
| IQ3    | Yes                    | Positive         | Meets institutional quality standards that can achieve desired investment results. Strengths outweigh weaknesses.                | While IQ1 or IQ2 rated products are generally preferable, certain client needs may be better addressed by a highly specialized IQ3 product. |
| 4      | No                     | Low              | Concerns with the product’s ability to meet institutional-quality standards.   | Clients should re-evaluate retention or monitor closely.  |
| 5      | No                     | Very Low         | Significant issues inhibit the product’s ability to meet institutional-quality standards.  | Verus recommends termination, immediately   |

# Manager comparison

|                       | Allspring - Global                         | Allspring - International                  | Allspring - U.S. All Cap                   |
|-----------------------|--|--|--|
| VERUS RATING          | Not Rated                                  | IQ3  | Not Rated                                  |
| FIRM OWNERSHIP        | 100% owned by Allspring Global Investments | 100% owned by Allspring Global Investments | 100% owned by Allspring Global Investments |
| FIRM NAME             | Allspring Global Investments               | Allspring Global Investments               | Allspring Global Investments               |
| PRODUCT NAME          | Global Equity CEF                          | International Equity CEF                   | U.S. All Cap Equity CEF                    |
| FIRM TOTAL AUM (\$MM) | \$397,577                                  | \$397,577                                  | \$397,577                                  |
| STRATEGY AUM (\$MM)   | \$335                                      | \$3,429                                    | \$316                                      |
| INCEPTION DATE        | Oct-22                                     | Oct-09                                     | Nov-20                                     |
| PREFERRED BENCHMARK   | MSCI All Country World Index (Net)         | MSCI All Country World ex-US (Net) Index   | Russell 3000 Index                         |
| INVESTMENT APPROACH   | Fundamental                                | Fundamental                                | Fundamental                                |
| SCREENING APPROACH    | Combined                                   | Combined                                   | Combined                                   |



# Investment vehicle information

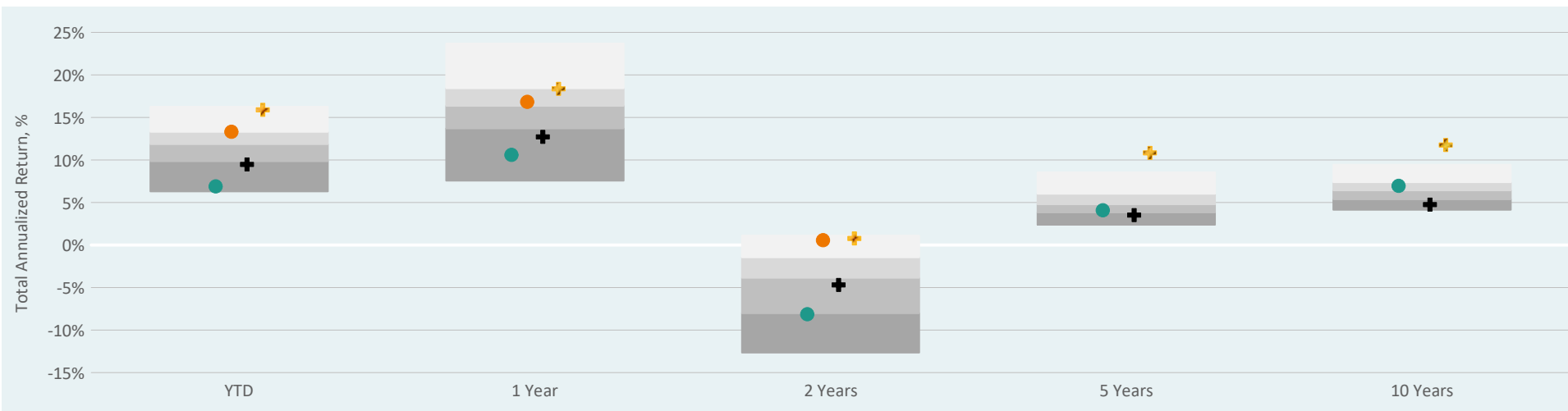
|                           | INVESTMENT VEHICLES | MINIMUM INVESTMENT | EXPENSE RATIO | FEE SCHEDULE | Other Fees   | Liquidity |
|---------------------------|---------------------|--------------------|---------------|--------------|--|-----------|
| <b>Allspring - Global</b> | Separate Account    | \$25,000,000       | 0.60%         | All Assets   |  | Daily     |
|                           | Performance Based   | \$25,000,000       | 0.35%         | All Assets   | 10% of returns above ACWI IMI Gross Return - Capped at 0.90% |           |

# Performance Analysis

# Performance comparison - as of June 2023

● Allspring - International 
 ● Allspring - U.S. All Cap 
 + MSCI ACWI Ex USA NR USD 
 + Russell 3000 NR USD

## PERFORMANCE TO DATE

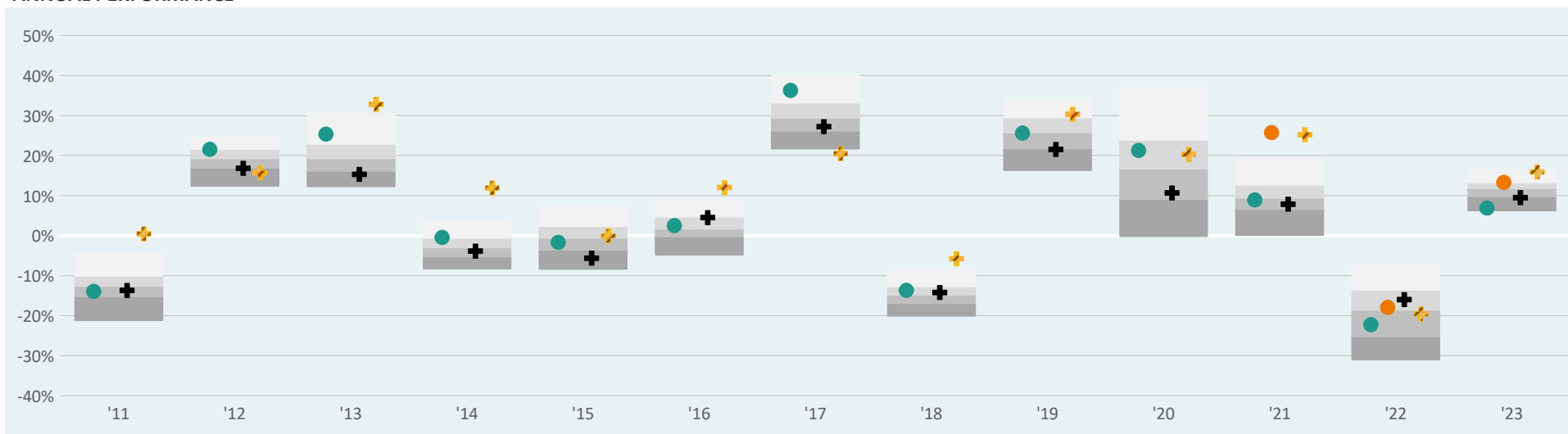


| EXCESS RETURNS + RANKING  | YTD       | 1 Year    | 2 Years   | 5 Years   | 7 Years   | 10 Years  |
|---------------------------|-----------|-----------|-----------|-----------|-----------|-----------|
| Allspring - International | -2.5      | -2.1      | -3.4      | 0.6       | 2.0       | 2.2       |
| <i>Rank</i>               | <i>94</i> | <i>90</i> | <i>76</i> | <i>69</i> | <i>33</i> | <i>33</i> |
| Allspring - U.S. All Cap  | 3.9       | 4.1       | 5.3       |           |           |           |
| <i>Rank</i>               | <i>25</i> | <i>43</i> | <i>10</i> |           |           |           |

# Calendar year performance

● Allspring - International   ● Allspring - U.S. All Cap   + MSCI ACWI Ex USA NR USD   + Russell 3000 NR USD

## ANNUAL PERFORMANCE



| ANNUAL PERFORMANCE + RANKING | 2011  | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018  | 2019 | 2020 | 2021 | 2022  | 2023 (YTD) |
|------------------------------|-------|------|------|------|------|------|------|-------|------|------|------|-------|------------|
| Allspring - International    | -13.9 | 21.6 | 25.4 | -0.4 | -1.6 | 2.6  | 36.3 | -13.6 | 25.7 | 21.3 | 9.0  | -22.2 | 6.9        |
| Rank                         | 60    | 25   | 13   | 23   | 59   | 39   | 16   | 38    | 50   | 37   | 53   | 68    | 94         |
| Allspring - U.S. All Cap     |       |      |      |      |      |      |      |       |      |      | 25.8 | -17.9 | 13.3       |
| Rank                         |       |      |      |      |      |      |      |       |      |      | 1    | 46    | 25         |
| MSCI ACWI Ex USA NR USD      | -13.7 | 16.8 | 15.3 | -3.9 | -5.7 | 4.5  | 27.2 | -14.2 | 21.5 | 10.7 | 7.8  | -16.0 | 9.5        |
| Rank                         | 58    | 76   | 85   | 61   | 87   | 27   | 68   | 46    | 76   | 68   | 65   | 37    | 83         |
| Russell 3000 NR USD          | 0.4   | 15.7 | 32.8 | 11.9 | -0.1 | 12.1 | 20.5 | -5.8  | 30.3 | 20.3 | 25.2 | -19.6 | 15.9       |
| Rank                         | 1     | 86   | 3    | 0    | 44   | 2    | 96   | 1     | 21   | 41   | 1    | 55    | 7          |

# Performance summary - vs MSCI ACWI ex US

|   | Allspring -<br>International | MSCI ACWI Ex<br>USA NR USD |
|---|------------------------------|----------------------------|
| <b>PERFORMANCE ANALYSIS - (3 Years)</b> |                              |                            |
| Alpha %                                 | -0.5                         | 0.0                        |
| Beta                                    | 1.0                          | 1.0                        |
| R-squared %                             | 94.4                         | 100.0                      |
| Sharpe Ratio                            | 0.3                          | 0.3                        |
| Treynor Ratio                           | 0.1                          | 0.1                        |
| Tracking Error %                        | 4.4                          | 0.0                        |
| Annualized Std Dev %                    | 18.2                         | 17.1                       |
| Information Ratio                       | -0.1                         | ---                        |
| Max Drawdown %                          | -32.7                        | -27.9                      |
| Calmar Ratio                            | 0.2                          | 0.3                        |
| Excess Ann. Return %                    | -0.4                         | 0.0                        |
| <b>PERFORMANCE TO DATE</b>              |                              |                            |
| 1 Year                                  | 10.6                         | 12.7                       |
| 3 Year                                  | 6.8                          | 7.2                        |
| 5 Year                                  | 4.1                          | 3.5                        |
| 7 Year                                  | 8.3                          | 6.3                        |
| 10 Year                                 | 7.0                          | 4.7                        |
| Common Inception (Oct-09)               | 7.6                          | 4.6                        |
| <b>CALENDAR YEAR RETURNS</b>            |                              |                            |
| 2022                                    | -22.2                        | -16.0                      |
| 2021                                    | 9.0                          | 7.8                        |
| 2020                                    | 21.3                         | 10.7                       |
| 2019                                    | 25.7                         | 21.5                       |
| 2018                                    | -13.6                        | -14.2                      |
| 2017                                    | 36.3                         | 27.2                       |
| 2016                                    | 2.6                          | 4.5                        |
| 2015                                    | -1.6                         | -5.7                       |
| 2014                                    | -0.4                         | -3.9                       |
| 2013                                    | 25.4                         | 15.3                       |

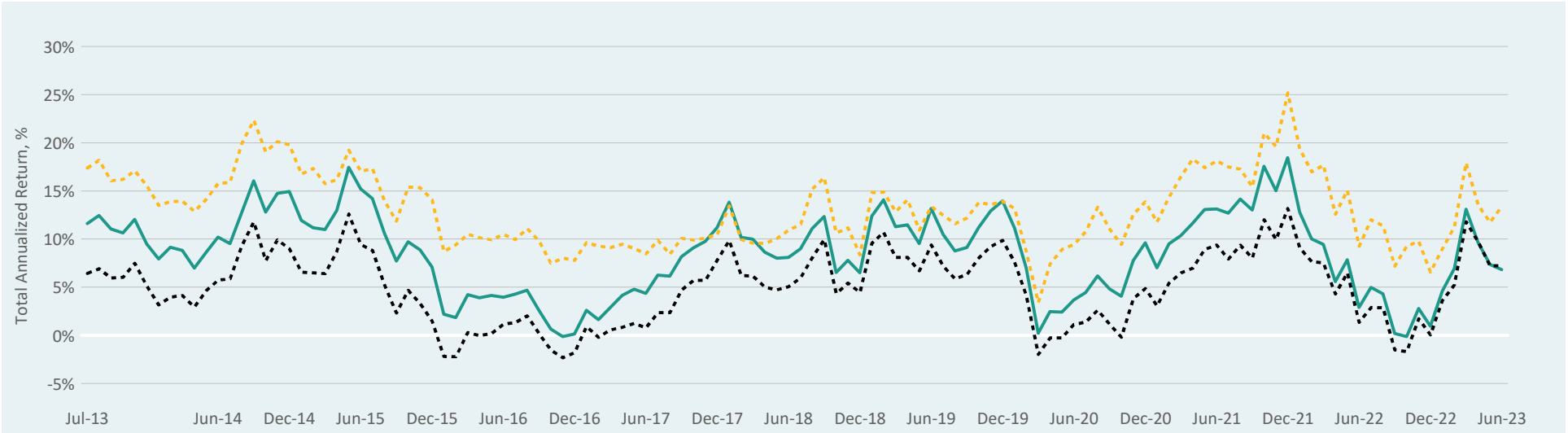
# Performance summary - vs Russell 3000

|   | Allspring -<br>U.S. All Cap | Russell 3000<br>NR USD |
|---|-----------------------------|------------------------|
| <b>PERFORMANCE ANALYSIS - (2 Years)</b> |                             |                        |
| Alpha %                                 | -0.4                        | 0.0                    |
| Beta                                    | 0.9                         | 1.0                    |
| R-squared %                             | 98.7                        | 100.0                  |
| Sharpe Ratio                            | -0.1                        | -0.1                   |
| Treynor Ratio                           | 0.0                         | 0.0                    |
| Tracking Error %                        | 2.6                         | 0.0                    |
| Annualized Std Dev %                    | 17.9                        | 19.4                   |
| Information Ratio                       | -0.1                        | ---                    |
| Max Drawdown %                          | -23.4                       | -24.9                  |
| Calmar Ratio                            | 0.0                         | 0.0                    |
| Excess Ann. Return %                    | -0.2                        | 0.0                    |
| <b>PERFORMANCE TO DATE</b>              |                             |                        |
| 1 Year                                  | 16.9                        | 18.4                   |
| 3 Year                                  | ---                         | 13.4                   |
| 5 Year                                  | ---                         | 10.8                   |
| 7 Year                                  | ---                         | 12.3                   |
| 10 Year                                 | ---                         | 11.7                   |
| Common Inception (Nov-20)               | 13.4                        | 12.4                   |
| <b>CALENDAR YEAR RETURNS</b>            |                             |                        |
| 2022                                    | -17.9                       | -19.6                  |
| 2021                                    | 25.8                        | 25.2                   |
| 2020                                    | ---                         | 20.3                   |
| 2019                                    | ---                         | 30.3                   |
| 2018                                    | ---                         | -5.8                   |
| 2017                                    | ---                         | 20.5                   |
| 2016                                    | ---                         | 12.1                   |
| 2015                                    | ---                         | -0.1                   |
| 2014                                    | ---                         | 11.9                   |
| 2013                                    | ---                         | 32.8                   |

# Rolling performance

● Allspring - International 
 ● Allspring - U.S. All Cap 
 + MSCI ACWI Ex USA NR USD 
 + Russell 3000 NR USD

## TOTAL 36 MONTH ROLLING PERFORMANCE



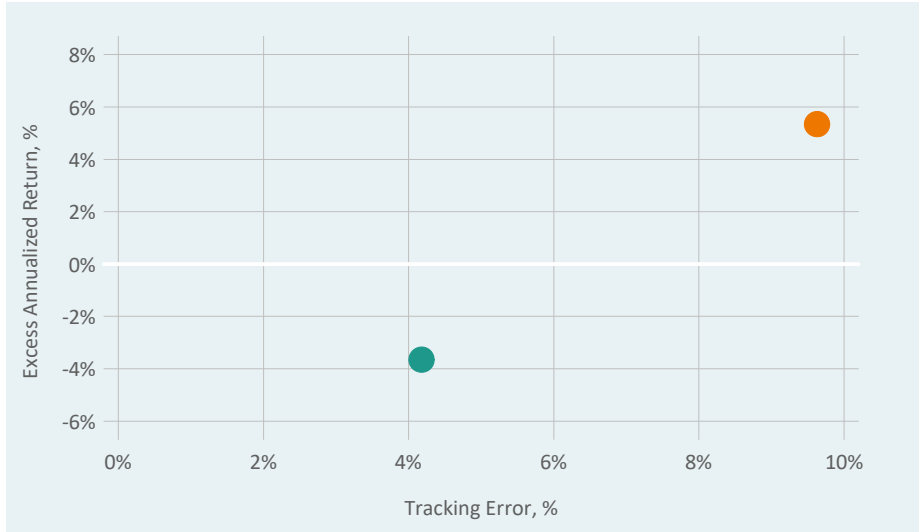
## EXCESS 36 MONTH ROLLING PERFORMANCE



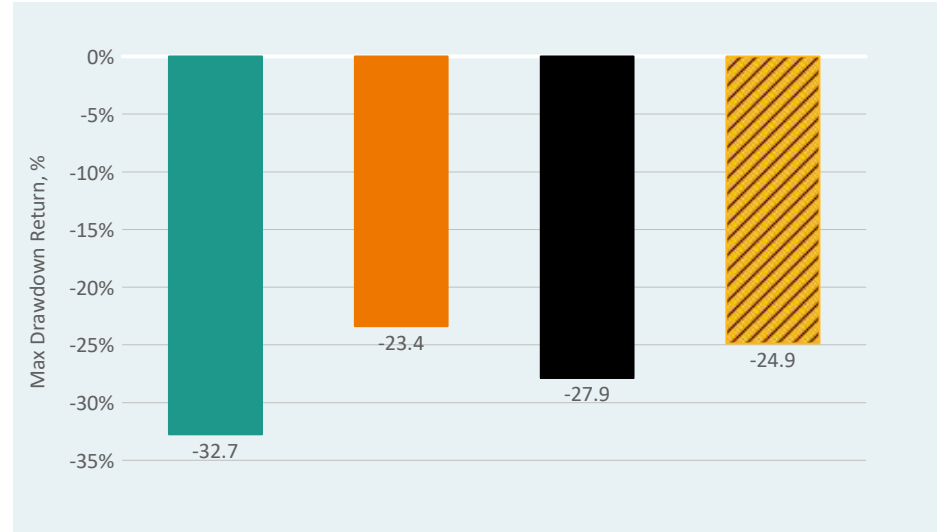
# Performance statistics - 1-year

● Allspring - International   ● Allspring - U.S. All Cap   + MSCI ACWI Ex USA NR USD   + Russell 3000 NR USD

EXCESS PERFORMANCE VS. RISK, MAY-21 TO JUN-23



MAX DRAWDOWN RETURN, NOV-20 TO JUN-23



36 MONTH ROLLING ALPHA



36 MONTH ROLLING BETA

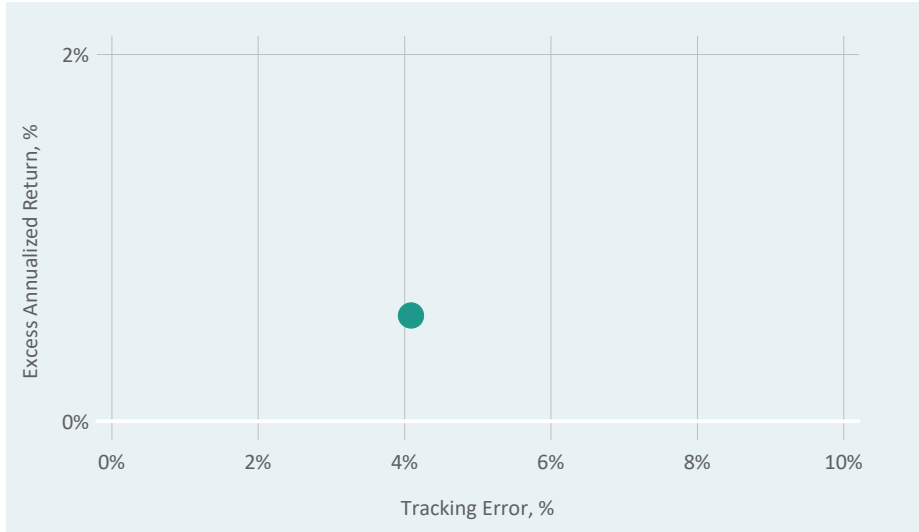




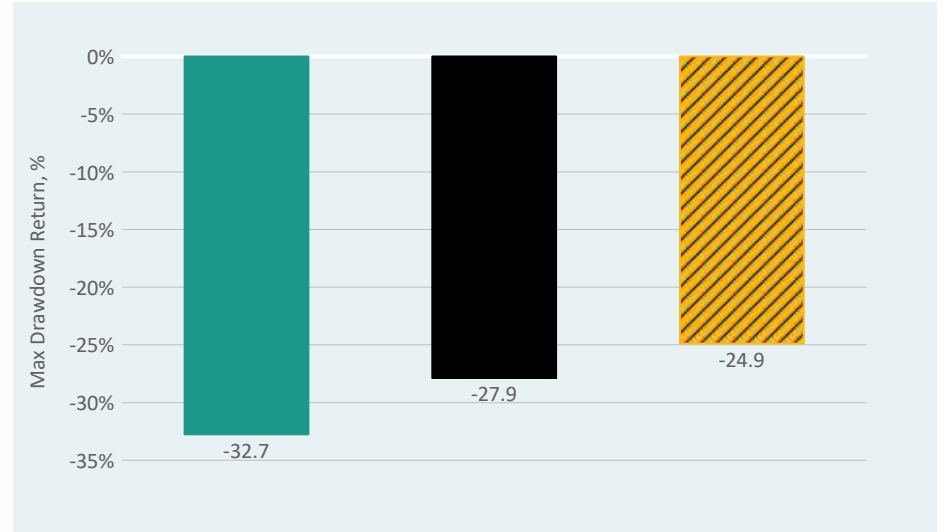
# Performance statistics - 5-years

● Allspring - International   ● Allspring - U.S. All Cap   + MSCI ACWI Ex USA NR USD   + Russell 3000 NR USD

EXCESS PERFORMANCE VS. RISK, JUL-18 TO JUN-23



MAX DRAWDOWN RETURN, JUL-18 TO JUN-23



36 MONTH ROLLING ALPHA



36 MONTH ROLLING BETA

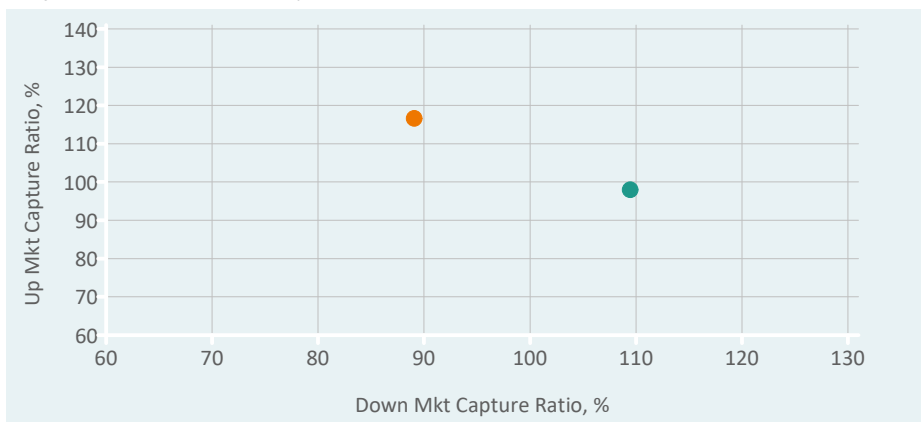


# Style Analysis and Portfolio Analytics

# Style and portfolio comparison

● Allspring - International   ● Allspring - U.S. All Cap   + MSCI ACWI Ex USA NR USD   + Russell 3000 NR USD

UP/DOWN MARKET CAPTURE, NOV-20 TO JUN-23



MSCI AC WORLD STYLE, MAY-21 TO JUN-23



|                                 | Allspring - International | Allspring - U.S. All Cap |
|---------------------------------|---------------------------|--------------------------|
| % HOLDINGS IN 10 LARGEST STOCKS | 33.0%                     | 52.0%                    |
| ANNUAL TURNOVER                 | 15.1%                     | 28.0%                    |
| CASH                            | 5.6%                      | 4.2%                     |
| CURRENT DIVIDEND YIELD          | 1.9%                      | 1.4%                     |
| CURRENT P/E                     | 14.2                      | 18.6                     |
| PORTFOLIO HOLDINGS              | 91                        | 36                       |
| WGTD. AVG. MKT. CAP             | \$ 87,000                 | \$ 461,000               |
| MAX CASH POSITION               | 10.0                      | 10.0                     |
| MAX POSITION SIZE               | 9.0                       | 9.0                      |

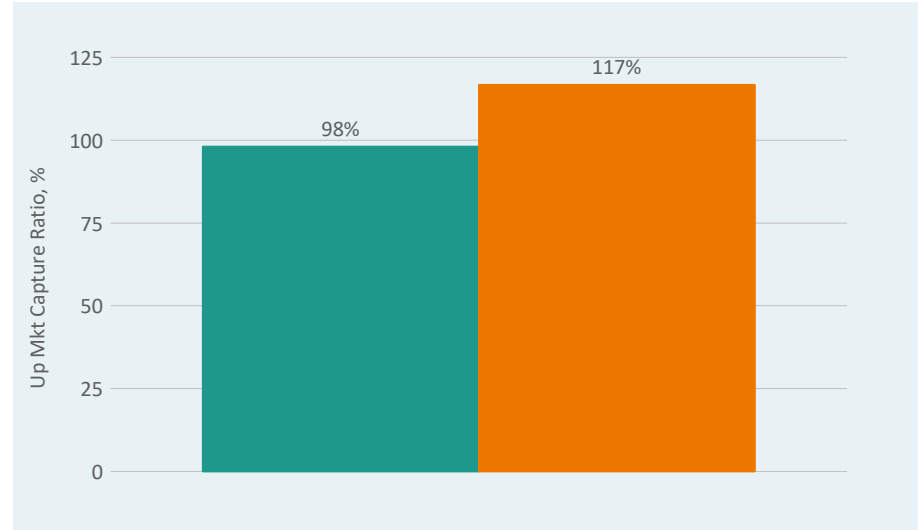
# Up & down market analysis

● Allspring - International    ● Allspring - U.S. All Cap    + MSCI ACWI Ex USA NR USD

36 MONTH ROLLING UP MKT CAPTURE RATIO



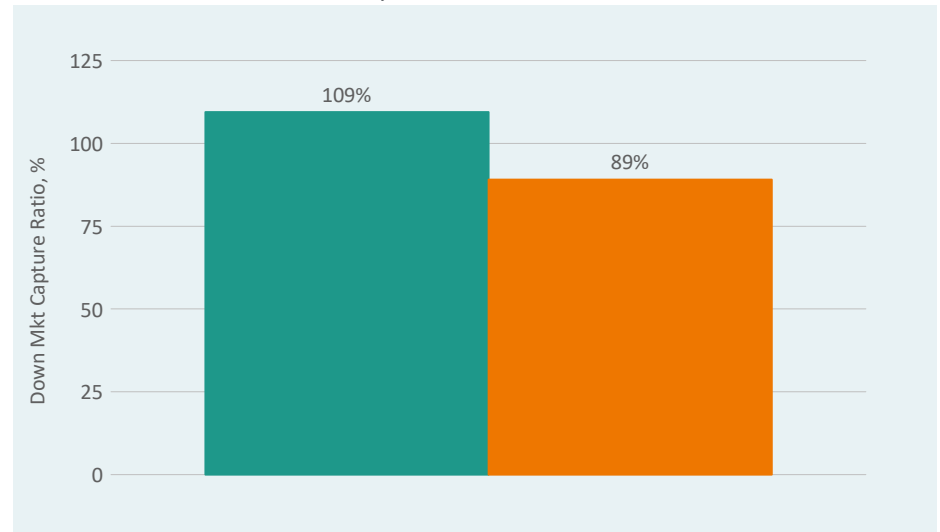
UP MARKET CAPTURE RATIO, NOV-20 TO JUN-23



36 MONTH ROLLING DOWN MKT CAPTURE RATIO



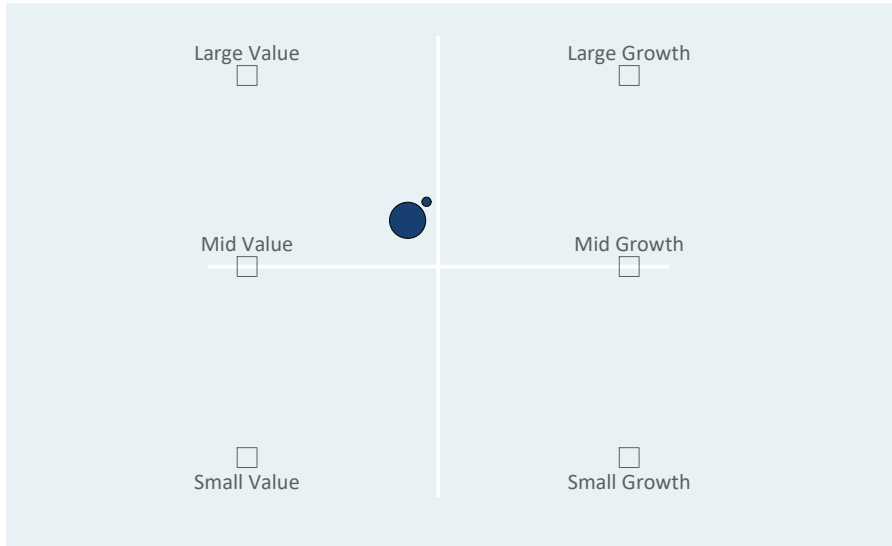
DOWN MARKET CAPTURE RATIO, NOV-20 TO JUN-23



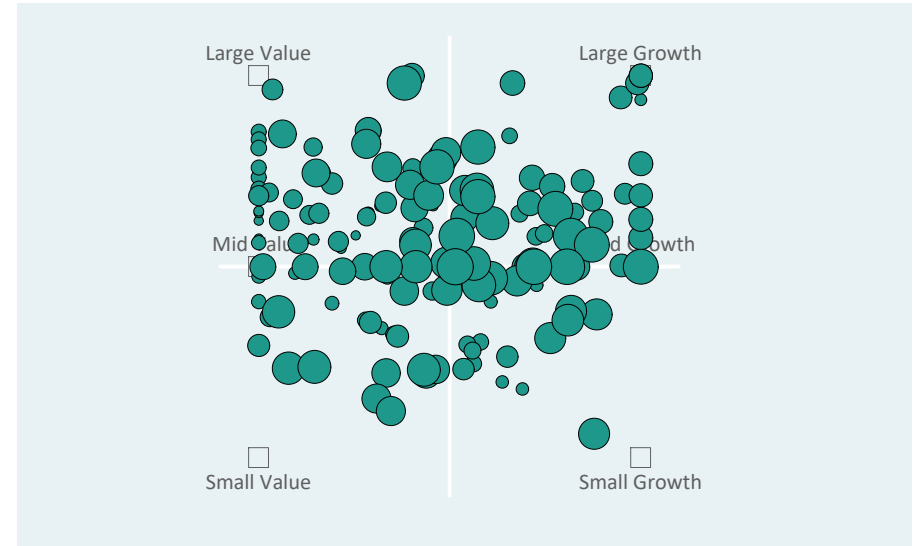
# Style analysis (MSCI AC World Style)

● Allspring - International    ● Allspring - U.S. All Cap

MSCI AC WORLD STYLE, APR-23 TO JUN-23



MSCI AC WORLD STYLE, APR-10 TO JUN-23

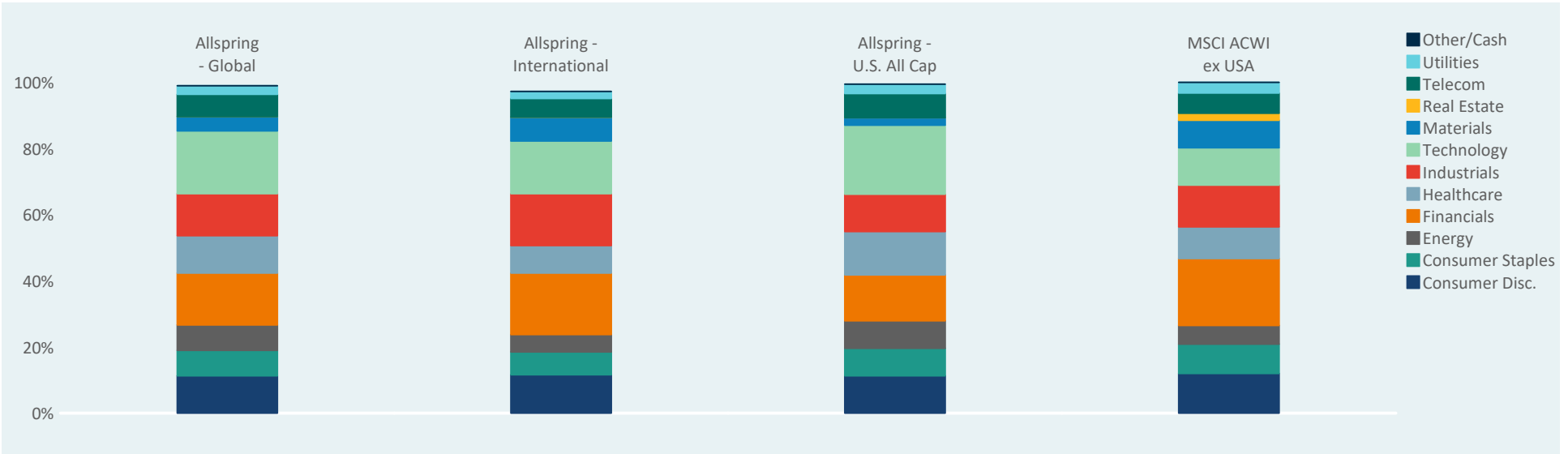


MSCI AC WORLD STYLE, MAY-21 TO JUN-23



# Equity sector exposure

CURRENT SECTOR POSITION, AS OF JUN-23

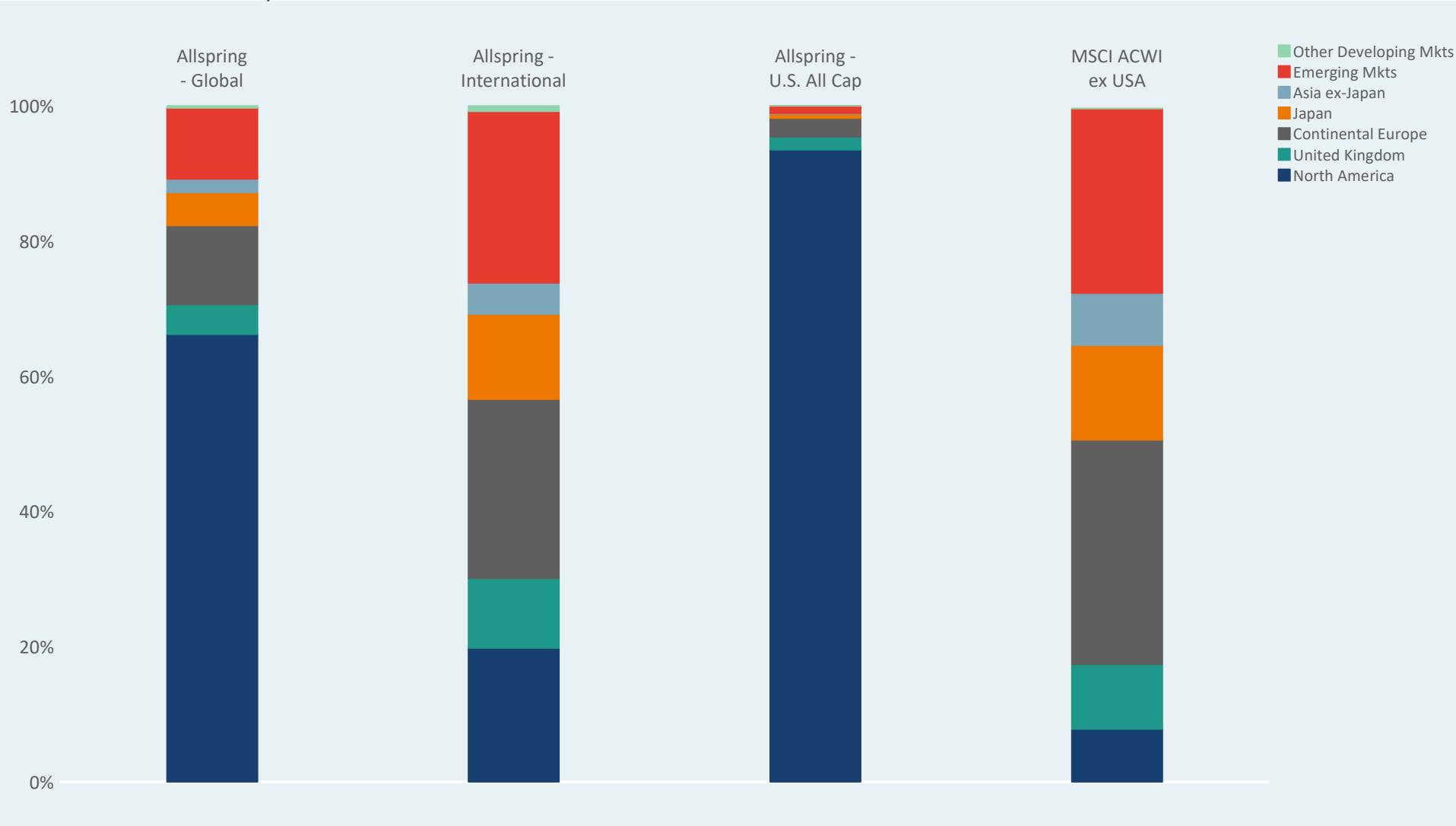


RELATIVE TO MSCI ACWI EX USA NR USD, AS OF JUN-23



# Regional exposure

CURRENT REGIONAL EXPOSURE, AS OF JUN-23



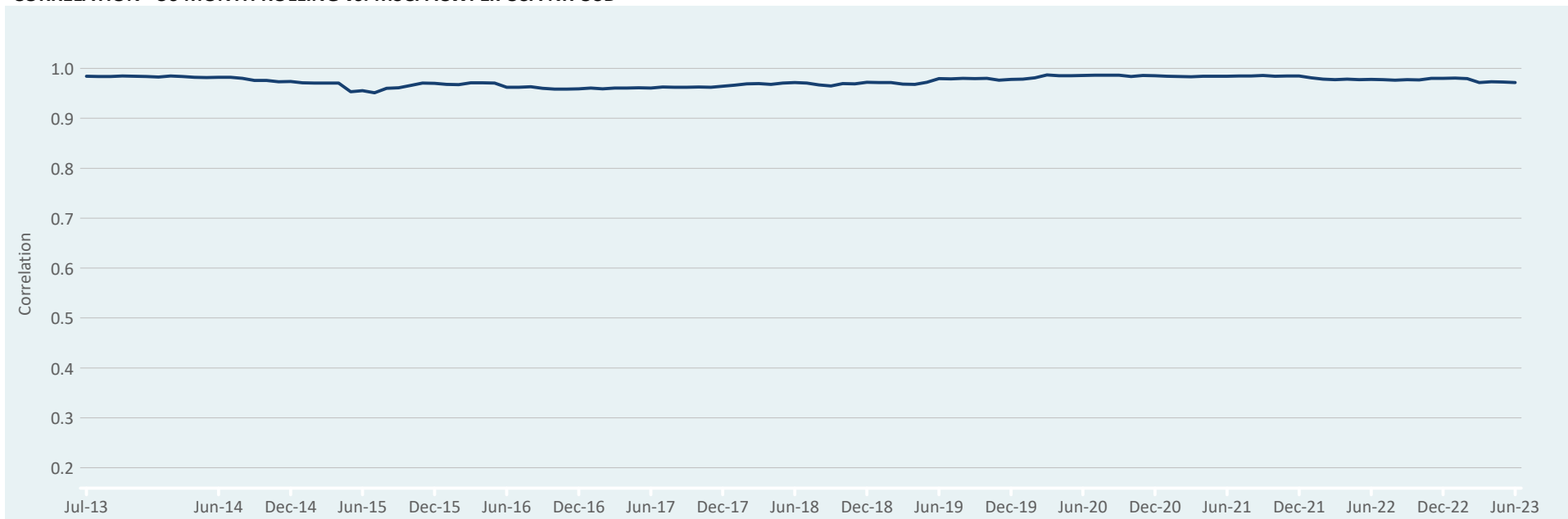
# Risk Analysis



# Correlations

● Allspring - International    ● Allspring - U.S. All Cap

## CORRELATION - 36 MONTH ROLLING vs. MSCI ACWI Ex USA NR USD



### 1 YEAR ENDING 06/2023

|                           | Allspring - International | Allspring - U.S. All Cap |
|---------------------------|---------------------------|--------------------------|
| Allspring - International | 1.00                      | 0.83                     |
| Allspring - U.S. All Cap  | 0.83                      | 1.00                     |

### 2 YEAR ENDING 06/2023

|                           | Allspring - International | Allspring - U.S. All Cap |
|---------------------------|---------------------------|--------------------------|
| Allspring - International | 1.00                      | 0.87                     |
| Allspring - U.S. All Cap  | 0.87                      | 1.00                     |

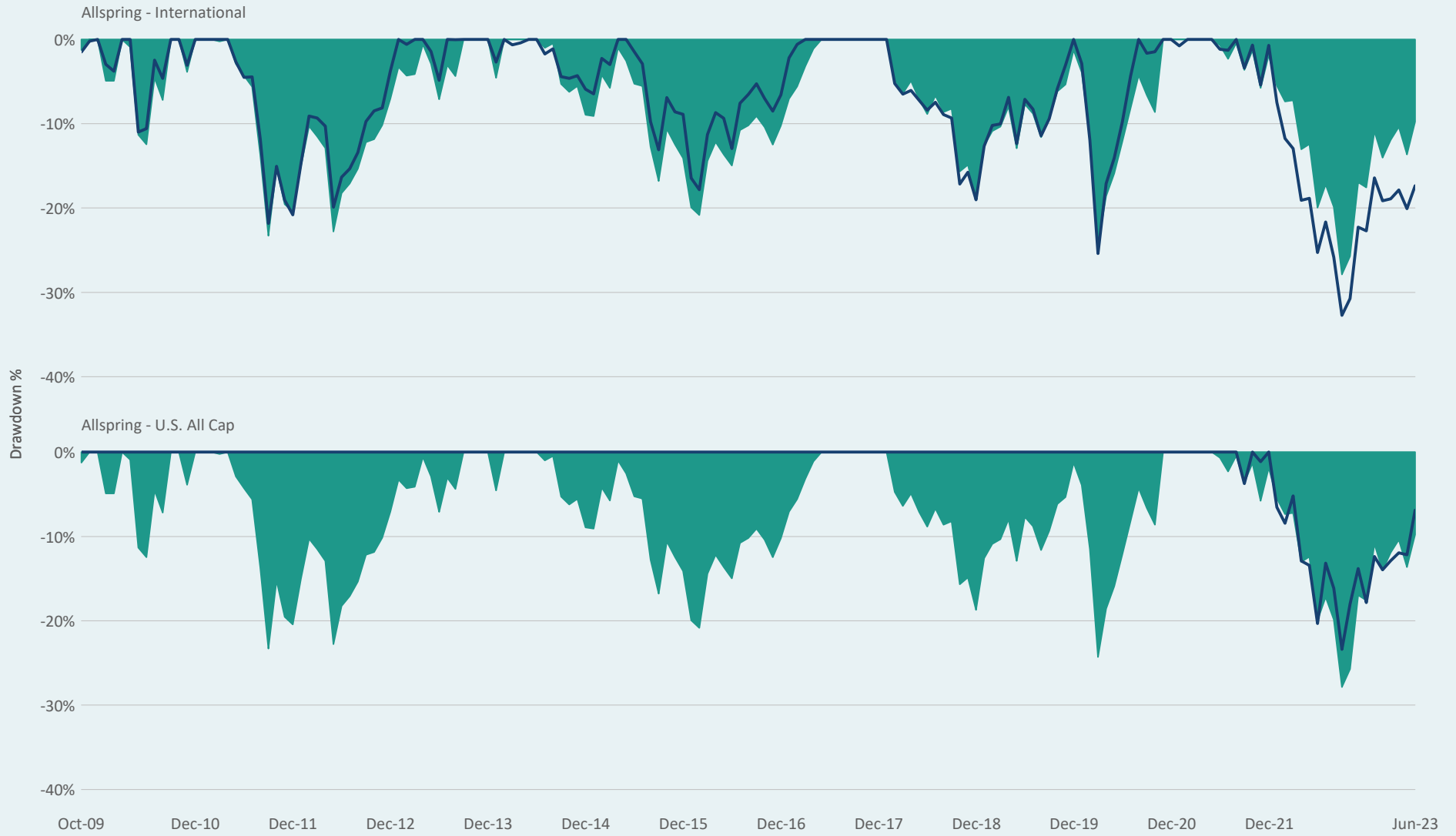
# Historical drawdowns

## CUMULATIVE PERFORMANCE EXTREMES

Cumulative Performance Extremes

■ Drawdown Return

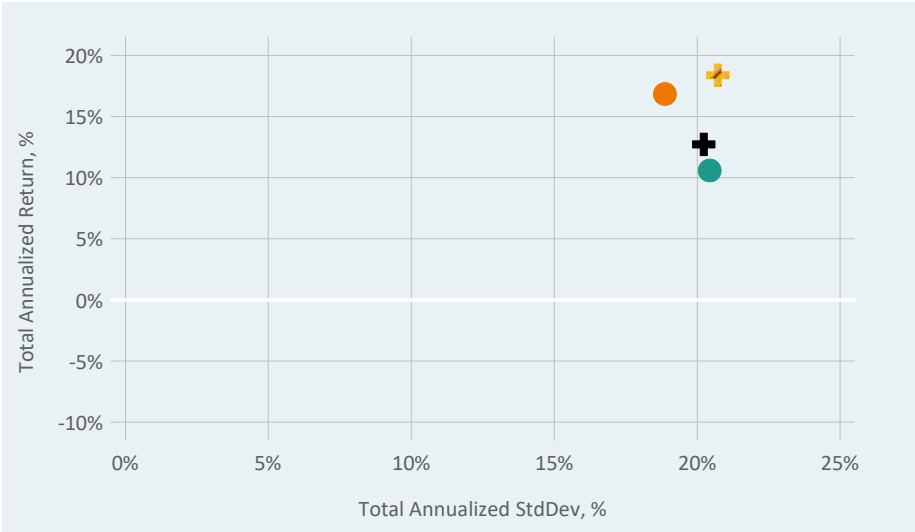
■ Drawdown Benchmark Return



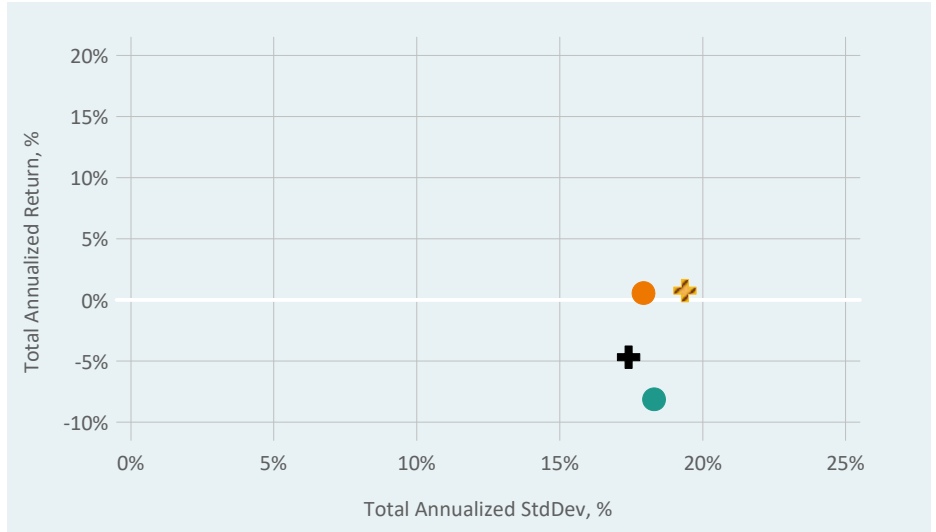
# Risk vs. return

● Allspring - International   ● Allspring - U.S. All Cap   + MSCI ACWI Ex USA NR USD   + Russell 3000 NR USD

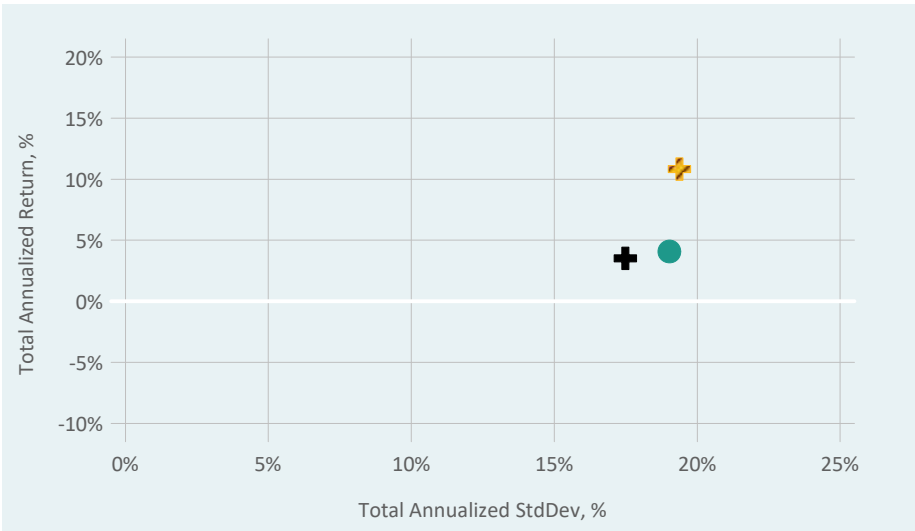
TOTAL PERFORMANCE VS. RISK, JUL-22 TO JUN-23



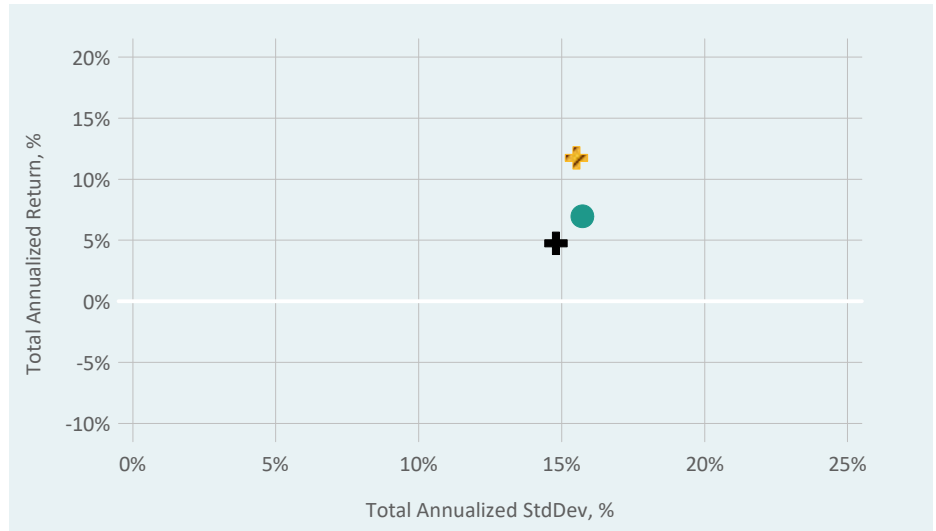
TOTAL PERFORMANCE VS. RISK, JUL-21 TO JUN-23



TOTAL PERFORMANCE VS. RISK, JUL-18 TO JUN-23



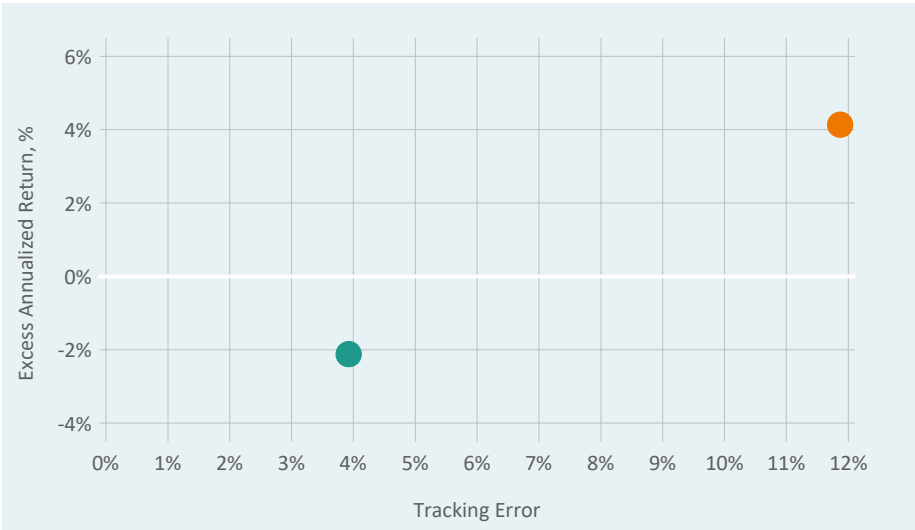
TOTAL PERFORMANCE VS. RISK, JUL-13 TO JUN-23



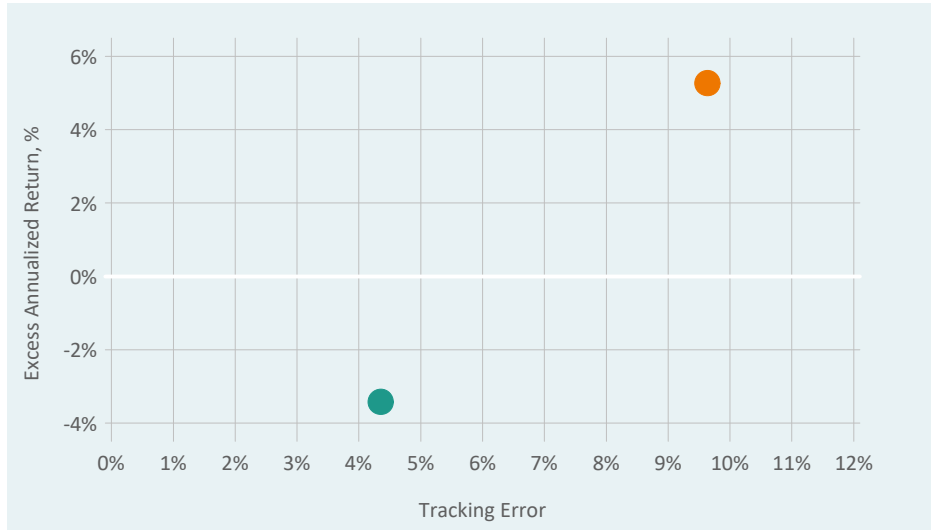
# Performance efficiency

● Allspring - International    ● Allspring - U.S. All Cap

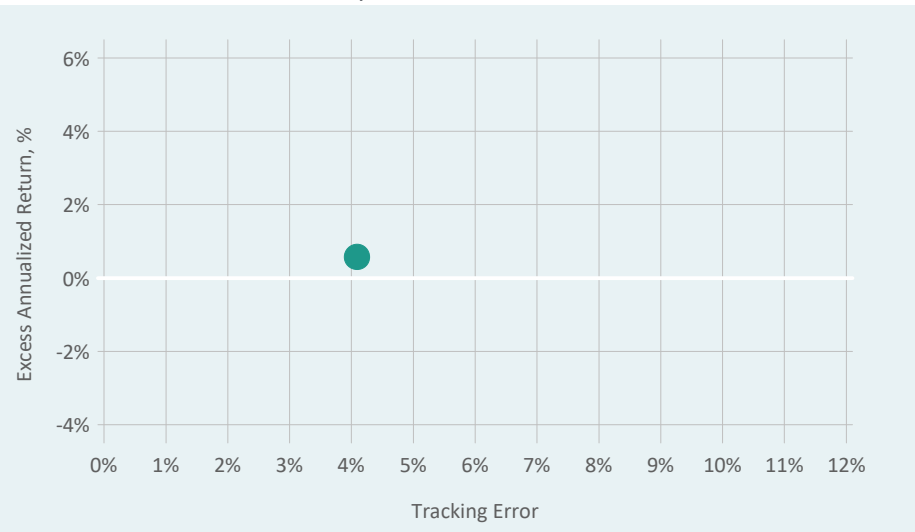
**EXCESS PERFORMANCE VS. RISK, JUL-22 TO JUN-23**



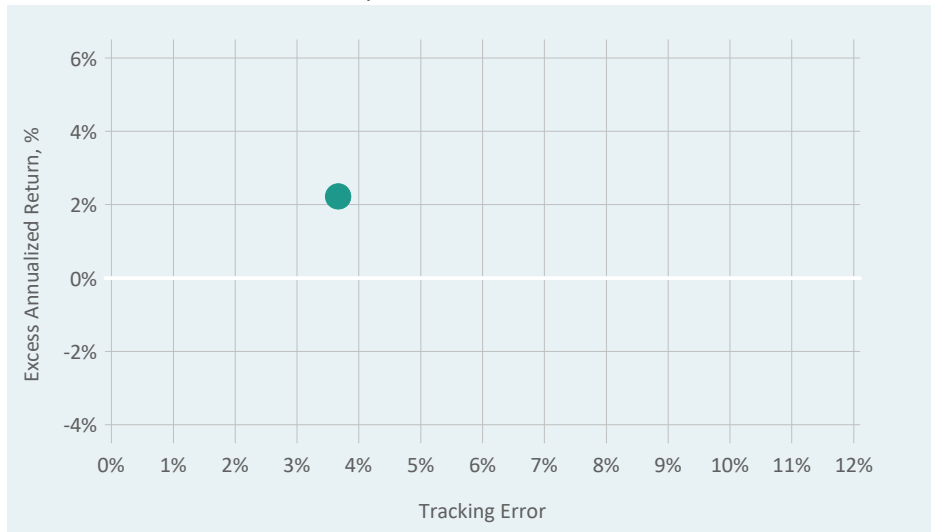
**EXCESS PERFORMANCE VS. RISK, JUL-21 TO JUN-23**



**EXCESS PERFORMANCE VS. RISK, JUL-18 TO JUN-23**



**EXCESS PERFORMANCE VS. RISK, JUL-13 TO JUN-23**



# Notices & Disclosures

**Past performance is no guarantee of future results.** This report or presentation is provided for informational purposes only and is directed to institutional clients and eligible institutional counterparties only and should not be relied upon by retail investors. Nothing herein constitutes investment, legal, accounting or tax advice, or a recommendation to buy, sell or hold a security or pursue a particular investment vehicle or any trading strategy. The opinions and information expressed are current as of the date provided or cited only and are subject to change without notice. This information is obtained from sources deemed reliable, but there is no representation or warranty as to its accuracy, completeness or reliability. This report or presentation cannot be used by the recipient for advertising or sales promotion purposes.

The material may include estimates, outlooks, projections and other “forward-looking statements.” Such statements can be identified by the use of terminology such as “believes,” “expects,” “may,” “will,” “should,” “anticipates,” or the negative of any of the foregoing or comparable terminology, or by discussion of strategy, or assumptions such as economic conditions underlying other statements. No assurance can be given that future results described or implied by any forward looking information will be achieved. Actual events may differ significantly from those presented. Investing entails risks, including possible loss of principal. Risk controls and models do not promise any level of performance or guarantee against loss of principal.

“VERUS ADVISORY™ and any associated designs are the respective trademarks of Verus Advisory, Inc. Additional information is available upon request.

## Allspring Global Investments Global Equity CEF

### Product Information

|                               |                               |                            |                      |
|-------------------------------|-------------------------------|----------------------------|----------------------|
| <b>Asset Class:</b>           | Equity                        | <b>Verus IQ Rating:</b>    | IQ3                  |
| <b>Sub-Asset Class:</b>       | Global Equity                 | <b>Flag:</b>               | No Flag              |
| <b>Strategy Inception:</b>    | 10/1/2022                     | <b>ESG Rating:</b>         | C                    |
| <b>Benchmark:</b>             | MSCI ACWI                     | <b>Emerging   Diverse:</b> | N/A                  |
| <b>Performance Objective:</b> | MSCI ACWI + 2-3% over 3-years | <b>Risk Objective:</b>     | 2-3% TE over 3-years |

### Organization and Vehicles

|                         |  |                              |               |
|-------------------------|--|------------------------------|---------------|
| <b>Firm Assets:</b>     | \$397,578MM  | <b>Separate Accounts:</b>    | Available     |
| <b>Strategy Assets:</b> | \$335MM  | <b>Commingled Vehicles:</b>  | Available     |
| <b>Location:</b>        | 1415 Vantage Park Drive<br>Charlotte North Carolina, 28203 | <b>Mutual Funds:</b>         | Not Available |
| <b>Key Persons:</b>     | Eric Harper  | <b>Status (Open/Closed):</b> | Open          |

### Verus Rating Detail

#### **Alignment - The investment product is supported by a robust and stable organizational and team structure.**

Allspring is an independently owned asset management firm boasting a large platform of global equity, fixed income, alternative, and money market capabilities. Private equity firms, Reverence Capital Partners and GTRC, effectively spun-out Wells Fargo Asset Management in 2021 and rebranded with an 'Allview' approach to enhance existing team technology and better unite the firms' 23 underlying investment teams. The private equity firms have indicated intent to be long-term investors, together retaining 70% ownership. A 20% equity stake is held by existing employees, including portfolio management and investment personnel. Incentive awards for portfolio managers are determined based on a review of relative investment and business/team performance evaluated on a 1-, 3-, and 5-year basis. A predominant weighting is given to longer time periods versus the relevant benchmarks and/or peer groups consistent with the investment style. The long-term portion of incentives generally carry a pro-rata vesting schedule over a 3-year period and some portfolio managers are required to invest a portion of incentive compensation into the products they support. Capacity management by the investment team lends credence to the firm's commitment to client outcomes, rather than gathering assets. While private equity ownership implies a potentially uncertain ownership future, we believe there is adequate alignment of interest given employee ownership and portfolio management buy-in on the products they manage.

#### **Edge - The manager has articulated an inefficiency or market-based belief that informs its process.**

Closed-end fund (CEF) investment strategies are unique given the illiquidity of underlying investments leading to capacity constraints and limited competition among peers. Lack of sell side and Wall Street coverage create an inefficient space that can be challenging to invest in. Consequently, the Global CEF team seeks to add value systematically via a quantitative process to generate alpha through discount narrowing, rather than underlying

manager selection, although both are expected sources of excess return. The investment team invests in 75-125 CEF's, representing over 2,000 individual securities. This intentional broad diversification serves to limit active risk from a security selection standpoint to better capture movements in the NAV.

Eric Harper, lead portfolio manager, has worked in CEF investing since 2000 and is supported by two co-portfolio managers. This trio has been working together since 2016. Additionally, the team employs a differentiated, systematic, and straightforward methodology to monitoring discounts. By adjusting reported NAV to market movements and currency fluctuations in proportion to a fund's beta, the team accesses real-time NAV estimations to better help uncover investment opportunities. Despite the retirement of longtime co-portfolio manager, G.D. Rothenberg, in 2022, we remain satisfied that the strategy is adequately supported by CEF subject matter experts.

#### **Implementation - The manager has described an investment approach which is sensible, repeatable.**

The Global Closed-End Fund strategy seeks to outperform the ACWI Index by investing in a well-diversified portfolio of global equity closed-end funds listed in the U.S. and the U.K. The investment team employs a Fund of Funds methodology to construct and manage a diversified portfolio of between 75-125 funds representing over 2,000 underlying companies. The fund has two compelling sources of alpha: 1) underlying manager selection and 2) the closing of NAV discounts. By systematically investing at a discount to NAV, the team hopes to capitalize on the inefficiencies within the CEF marketplace, while removing idiosyncratic risk and style bias. The investment team's proprietary quantitative model continually calculates the Net Asset Values of exchange-traded closed-end funds in real time, indicating investment opportunities. These opportunities are then thoroughly evaluated from a rigorous, qualitative perspective, employing the depth and breadth of team's investment experience. On-site due diligence is core to the team's investment process as the team evaluates the mechanisms for a narrowing discount. These can include a change of portfolio manager, extraordinary dividends, or changing structure from closed to open, to name a few. Because of the nature of supply and demand in the CEF universe, combined with the strategy's pure bottom-up security selection process, the strategy tends to carry a structural overweight to small- and mid-Cap stocks. Sector and country active weights are a result of the bottom-up security selection process. Mandate guidelines restrict regional over and under weights to 50% to 150% of index allocations.

#### **Optimal use of risk - The manager has an effective framework to assess and manage risk inherent in its process.**

Portfolio management defines risk as variance of returns around each client's benchmark. By investing in a pool of funds, the investment team obtains a wider range of styles, market caps, and stocks that help to diminish the risk of any individual contributor's impact. This broader diversification and alignment with regional policy ranges has historically narrowed tracking error (in the international CEF) to an extremely consistent range of 3-4% over rolling periods. Cash is used as a risk management tool to offset any gearing present in some of the CEFs utilized in the strategy.

The international CEF product has formally opened and closed several times since inception, highlighting a diligent approach to capacity management. By allowing the portfolio manager to dictate capacity, we believe the team has greater portfolio control and client-centric focus. As of January 2021, all the non-US CEF offerings managed by the team are hard closed. However, capacity may become available sporadically in response to flows.

#### **Understandable Performance - Historical and future performance sensitivities are consistent with the manager's process.**

The majority of alpha generated by the investment team has historically been attributable to their ability to capitalize on discount movements, although relative NAV performance has also been a contributor. The investment team explicitly look to manage tracking error and generate 2-3% excess return to the ACWI benchmark. Rolling 3-year

information ratio analysis of the international CEF validates this objective, as the portfolio has ranked in the 19th percentile of peers, on average, looking back to 2009. The Fund of Funds structure allows the investment team to adequately balance style and size, while gaining access to specialty investing strategies, like those focused on Gold and Mining sectors. The portfolio has historically generated a positive asymmetrical return profile, generating a higher upside capture than downside. However, downside capture is in excess of 100% over most trailing periods and this product may not be suitable for clients concerned about short-term loss of capital. Given the limited liquidity of CEFs, the product is more suitable for clients with medium-to-longer term investment horizons who can tolerate the lower liquidity of underlying investments. Overall, we expect the portfolio to outperform in most market environments with a non-style specific return profile.

**The manager has described an integration of ESG into their investment philosophy.**

---

The investment team emphasizes a strong focus on the governance aspects of responsible investing. The team considers well planned and executed corporate actions to represent an alpha generation opportunity. Corporate engagement is viewed to be an important responsibility of Fund ownership, and the team works closely with the firm's proxy voting administrator, Institutional Shareholder Services ("ISS"), in the review of their proxy voting recommendations. While the investment team's views may often align with these recommendations, there are also instances in which the team expresses and documents alternative recommendations if a compelling opportunity exists. We do not believe integration of environmental and social investment considerations are present in the portfolio and that governance is largely considered at the fund management level, rather than at the individual security level.



# Closed-End Fund strategies

SECOND QUARTER 2023 | MARKETING COMMUNICATION



## Sacramento County Employees' Retirement System

Presented by:

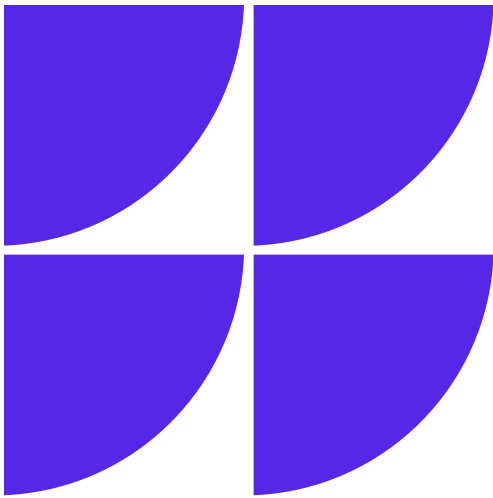
Scott Eldridge, CFA – Portfolio Manager, Closed-End Fund Strategies

Trevor Lavin – Managing Director, West Region Lead, Institutional Client Group

August 16, 2023

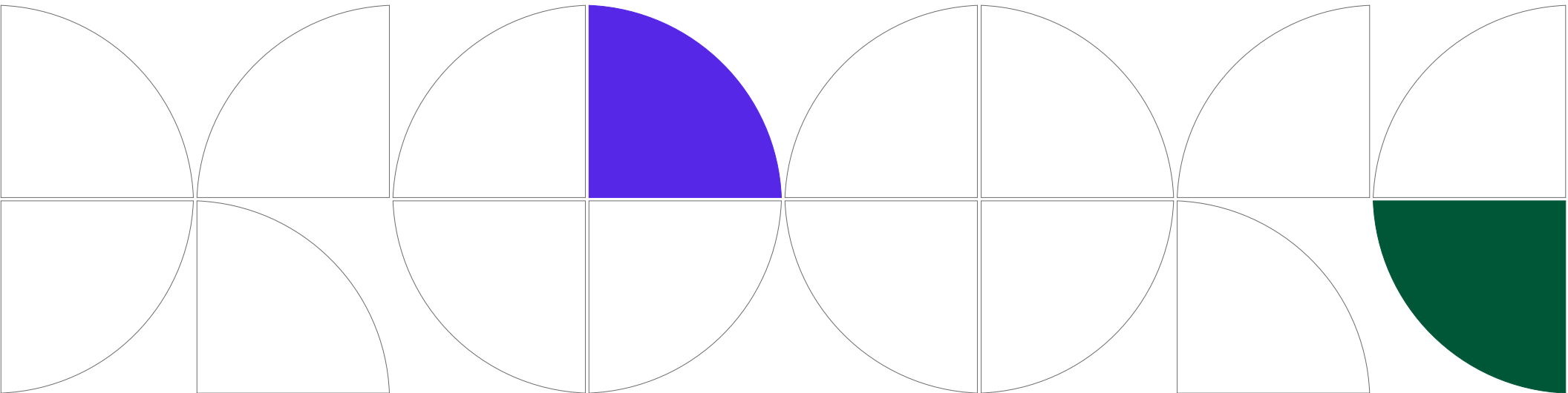
# Contents

- 01 Allspring Global Investments
- 02 Team overview
- 03 International Equity Closed-End Fund Strategy
- 04 U.S. All Cap Equity Closed-End Fund Strategy
- 05 Global Equity Closed-End Fund Strategy
- 06 Allspring investment platform
- 07 DE&I at Allspring
- 08 Appendix



# Allspring Global Investments

01



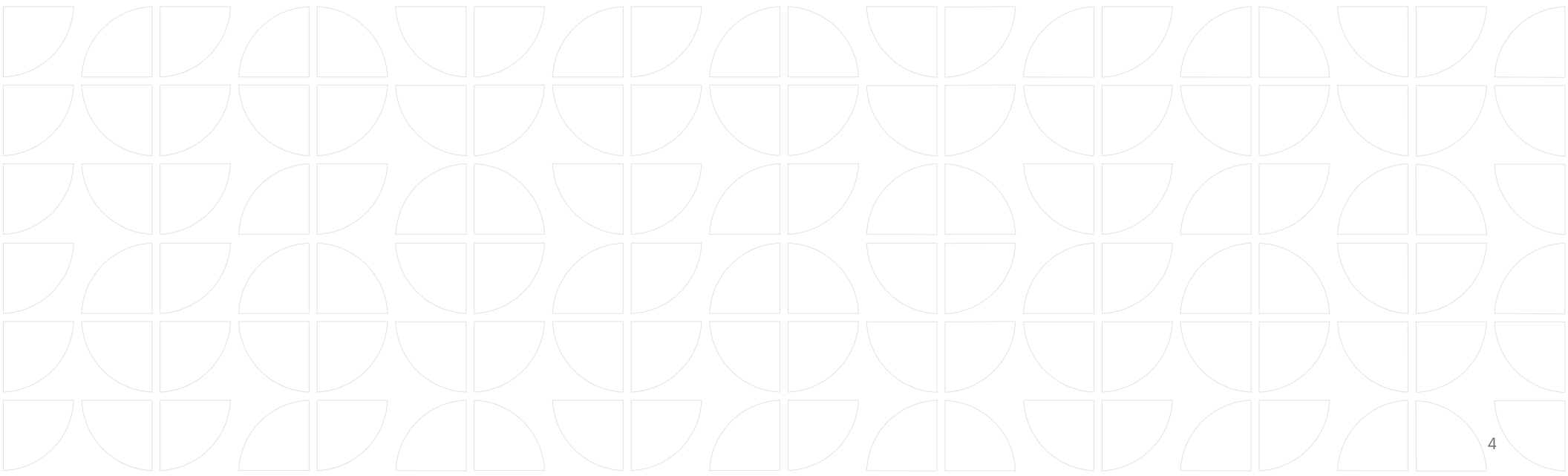


# Allspring is reimagining investment management

Leveraging **decades of experience** and core investment roots ...

... to inspire a **new era of investing** that pursues both financial returns and positive outcomes ...

... with a **singular focus on asset management** and a mission to elevate investing to be worth more.

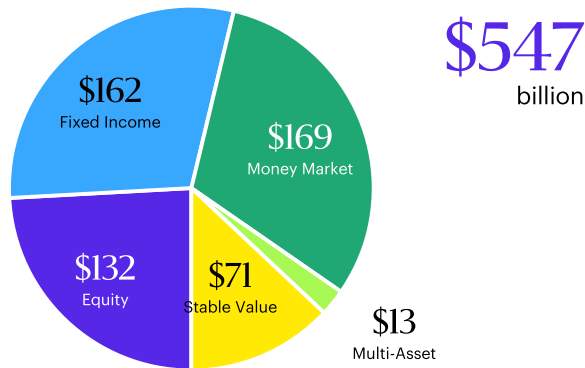




# A platform that goes beyond for clients

Providing a broad range of investment solutions to help our global client base meet their investment objectives

## Assets under advisement<sup>1</sup>



## Our people

1,420+ dedicated employees

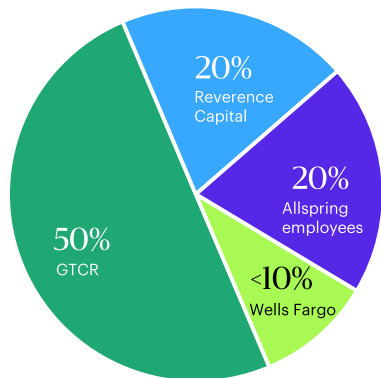
450+ global investment professionals<sup>4</sup>

23 years portfolio managers' average years of investment experience

## Our clients

- Consultants
- Corporations
- Endowments & Foundations
- Financial Advisors
- Financial Institutions
- Government/Official Institutions
- Insurance Companies
- Pensions & Retirement Plans

## Corporate ownership structure<sup>2,3</sup>



## Our statistics



23 offices globally



Headquartered in Charlotte, North Carolina



Leading SMA provider<sup>5</sup>

Sources: 1. Allspring and affiliates. Figures are as of 30 Jun 2023, unless otherwise noted. Please note that the assets under advisement (AUA) figures provided include discretionary and non-discretionary assets and have been adjusted to eliminate any duplication of reporting among assets directed by multiple investment teams and includes \$88B from Galliard Capital Management (\$71B stable value; \$17B fixed income). AUA includes non-discretionary assets that are not captured in Allspring's assets under management (AUM) figure. Numbers may not add up to the total presented due to rounding. 2. Percentages are approximate and can fluctuate over time. 3. Percentage are based on number of total employees participating in equity ownership. 4. Global investment talent includes directors and associate level professionals. 5. Cerulli's league table.



# Representative clients

## CORPORATE

Automatic Data Processing, Inc.  
 Brighthouse Financial, Inc.  
 Costco Wholesale Corporation  
 Cox Enterprises, Inc.  
 Freeport-McMoRan, Inc.  
 Intuitive Surgical  
 Lowe's Companies, Inc.  
 Merck & Co., Inc.  
 Okta  
 PNM Resources, Inc.  
 Safeway  
 Starbucks Corporation

## HEALTHCARE

Avera Health  
 Banner Health  
 Corewell Health  
 Johns Hopkins Health System  
 Kaiser Permanente  
 Lucile Salter Packard Childrens Hospital at Stanford  
 Prisma Health  
 Sutter Health & Affiliates

## HIGHER EDUCATION/ENDOWMENT

Bucknell University  
 Clemson University Foundation  
 Nevada System of Higher Education  
 Ohio State University & Foundation  
 Rutgers, The State University of New Jersey  
 University of Oregon  
 University of Pittsburgh  
 Villanova University

## INSURANCE

Ameriprise  
 Arizona Department of Insurance  
 Blue Cross & Blue Shield of Alabama  
 Centene Corporation  
 Independence Blue Cross  
 Medical Insurance Exchange of California  
 Northwestern Mutual Life  
 The American Automobile Association, Inc.

## GOVERNMENT/PUBLIC

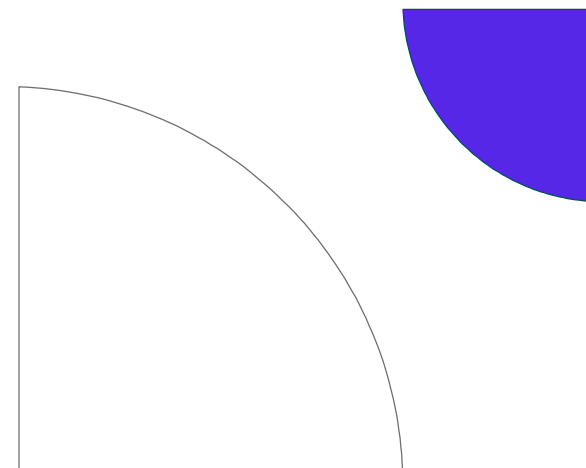
Alaska Permanent Fund Corporation  
 Association County Commissioners of Georgia  
 Boston Retirement System  
 City of Baltimore Employees Retirement System  
 Florida State Board of Administration  
 Los Angeles County Employees Retirement Association  
 Los Angeles Water & Power Employees' Retirement Plan  
 North Dakota State Investment Board

## SUB-ADVISORY

SEI  
 Corebridge Financial  
 John Hancock  
 JP Morgan  
 Nationwide

## TAFT-HARTLEY/UNION

Construction Industry & Laborers  
 Engineers, Operating, Local #12  
 I.U.O.E. Local 14-14B Pension Fund  
 Seafarers Pension Plan





# The beliefs that guide us

## Invest thoughtfully

Understanding clients' needs on a deeper level through a unique blend of financial expertise, EQ\*, and an inherent curiosity

## Plan with purpose

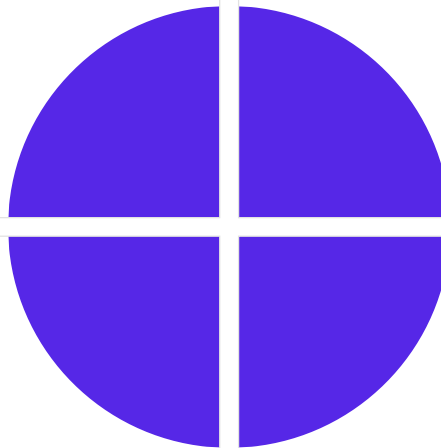
Building solutions that connect clients with what matters most and provide the potential to create a far-reaching positive impact

Helping clients navigate the future and make smarter financial decisions by evolving our products and solutions for what we see ahead

## Look around the corner

Taking on clients' challenges with tenacity and agility with a goal to turn possibilities into investment performance

## Unlock what's possible





# Our Allview™ investment approach

Unique viewpoints.  
Delivered together as one.  
That's Allview.

Allspring pursues more of what's possible by going beyond a single, standardized strategy. Our distinct Allview approach unites expert independent thinking, disciplined risk management, and diverse perspectives with a deep understanding and care for our clients. It's all the best of Allspring together as one elevated platform.

Allview empowers thoughtful investing to create returns that expand above and beyond financial gains.

## Snapshot of investment excellence



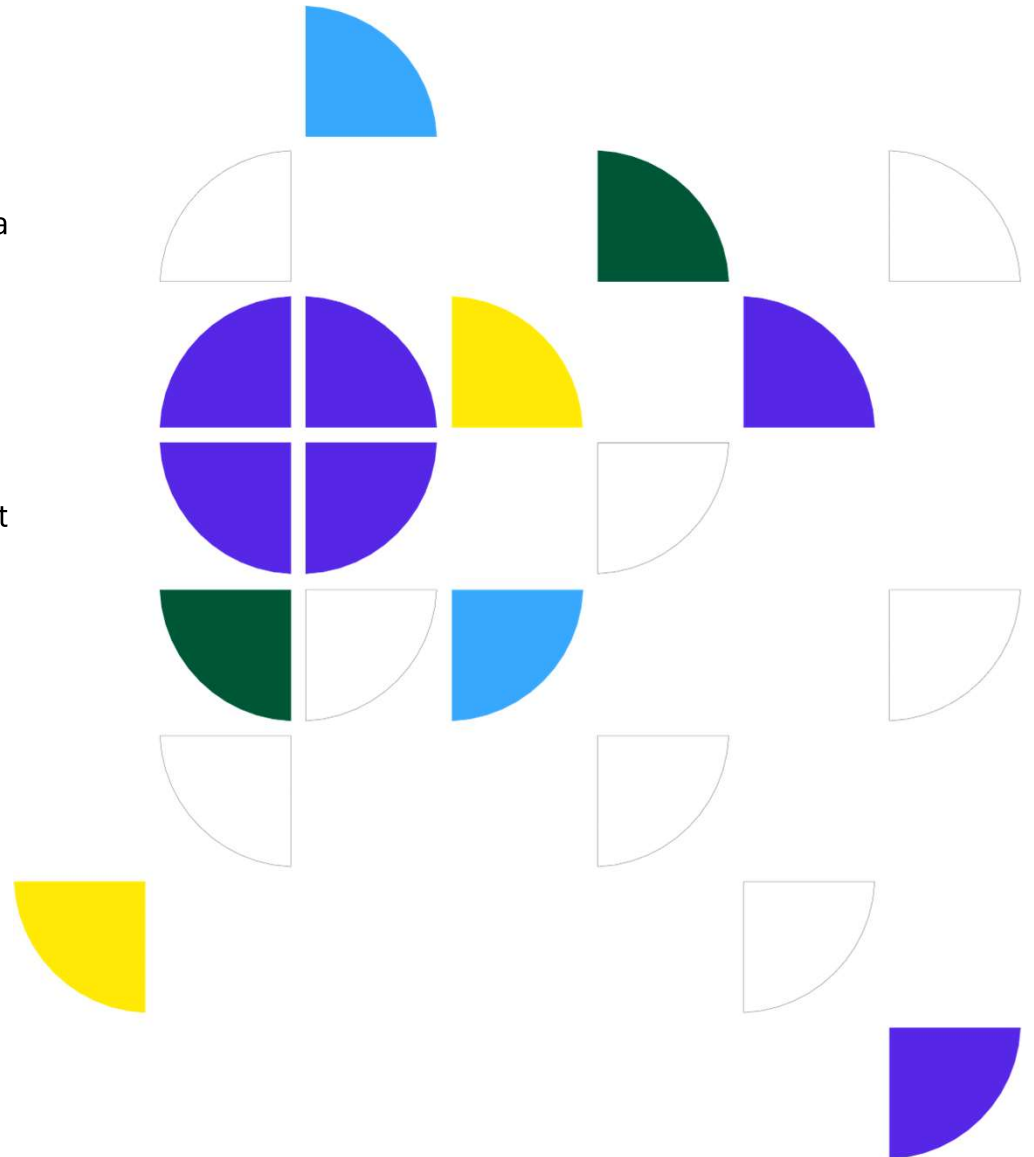
23 teams  
450+ investment professionals



U.S. and global  
exposures across styles



Broad and diversified client  
base around the world







# A culture of independent thinking as one elevated platform



**Unified approach** uniting rigorous research, seamless collaboration, disciplined risk management, and diverse perspectives



**Investing thoughtfully** by combining financial expertise and unwavering empathy to seek returns that contribute to a better future for everyone

## DEPTH AND BREADTH OF OUR TEAMS

NUMBER OF INVESTMENT PROFESSIONALS ACROSS STRATEGIES

|  |            |
|--|------------|
| Equity   | 143        |
| Fixed Income   | 163        |
| Multi-Asset  | 20         |
| Cross-Functional<br>(Investment Risk, Research, Analytics, etc.) | 133        |
| <b>TOTAL<sup>1</sup></b>   | <b>459</b> |

## EXTENSIVE COVERAGE OF STRATEGIES

AVAILABLE TO CLIENTS

|                          |            |
|--------------------------|------------|
| Equity: Fundamental      | 47         |
| Equity: Systematic       | 32         |
| Fixed Income: Taxable    | 47         |
| Fixed Income: Municipal  | 10         |
| Fixed Income: Systematic | 4          |
| Multi-Asset              | 29         |
| <b>TOTAL<sup>1</sup></b> | <b>169</b> |

## STRONG TRACK RECORD OF EXCESS RETURNS<sup>1</sup>

% OF COMPOSITE ASSETS OUTPERFORMING THEIR BENCHMARK<sup>2</sup>

|         | GROSS | NET |
|---------|-------|-----|
| 1-year  | 73%   | 66% |
| 3-year  | 76%   | 66% |
| 5-year  | 85%   | 65% |
| 10-year | 86%   | 74% |

## FUND AWARDS

EARNED THROUGH 2Q 2023



**REFINITIV LIPPER  
FUND AWARDS**

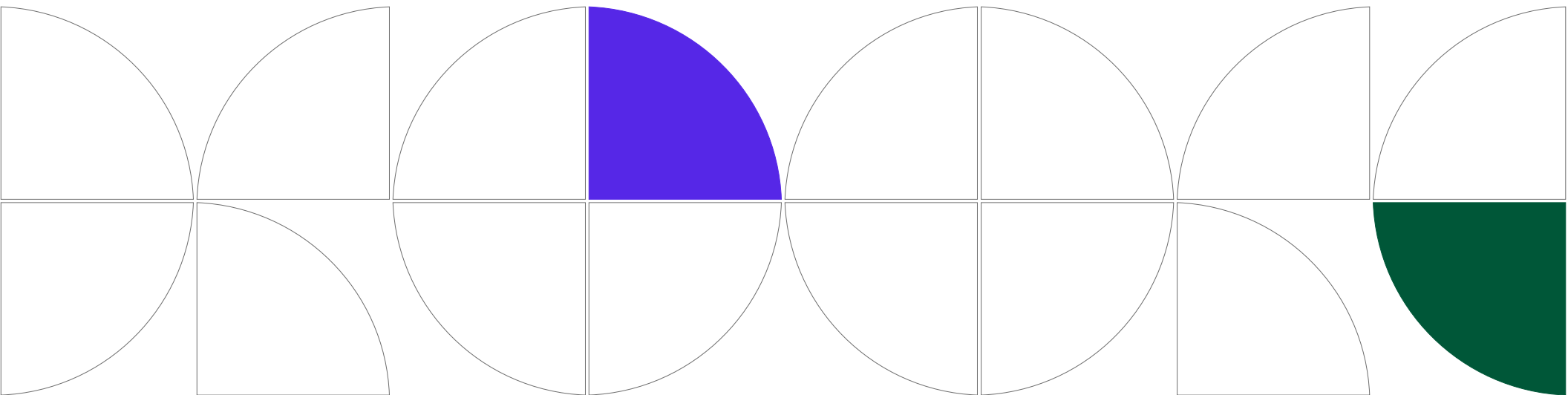
**14**

Sources: 1. Allspring and affiliates. Figures are as of 30 June 2023, unless otherwise noted. 2. As of 30 June 2023. The percentage of composite assets that outperform their corresponding representative benchmarks based on 230 marketed/non-marketed Institutional and Managed Account Composites shown gross/net of fees. Excludes money market composites and composites managed by Galliard Capital Management, GMO, Cooke & Bieler, and Peregrine Capital Management. <sup>†</sup>For illustrative purposes only. Past performance is no guarantee of future performance and should not be relied upon when making an investment decision. Not all products are available in all regions. The Refinitiv Lipper Fund Awards, granted annually, highlight funds and fund companies that have excelled in delivering consistently strong risk-adjusted performance relative to their peers. The Refinitiv Lipper Fund Awards are based on the Lipper Leader for Consistent Return rating, which is a risk-adjusted performance measure calculated over 36, 60 and 120 months. The fund with the highest Lipper Leader for Consistent Return (Effective Return) value in each eligible classification wins the Refinitiv Lipper Fund Award. For more information, see [lipperfundawards.com](http://lipperfundawards.com). Although Refinitiv Lipper makes reasonable efforts to ensure the accuracy and reliability of the data contained herein, the accuracy is not guaranteed by Refinitiv Lipper.

# Team overview

02

## Closed-end fund strategies





# Closed-end fund team

## Portfolio and Product Management



ERIC HARPER, CFA®  
Managing Director and  
Lead Portfolio Manager



MEHMET CAMURDAN,  
PH.D, CFA®  
Portfolio Manager



SCOTT ELDRIDGE, CFA®  
Portfolio Manager



HANNAH KIM  
Research Analyst



# Closed-end fund team

## Strategies summary

As of June 30, 2023

|                               | INTERNATIONAL<br>EQUITY MSCI ACWI<br>EX-U.S. CEF | INTERNATIONAL<br>EQUITY EAFE CEF | EMERGING MARKETS<br>EQUITY CEF | GLOBAL EQUITY CEF                     | U.S. ALL CAP<br>EQUITY CEF | FIXED INCOME<br>BOND CEF          | FIXED INCOME<br>CREDIT CEF     |
|-------------------------------|--|----------------------------------|--------------------------------|---------------------------------------|----------------------------|-----------------------------------|--------------------------------|
| Benchmark                     | MSCI All Country<br>World ex-US (Net)<br>Index   | MSCI EAFE (Net)<br>Index         | MSCI Emerging<br>Markets (Net) | MSCI All Country<br>World Index (Net) | Russell 3000<br>Index      | Bloomberg U.S.<br>Aggregate Index | Bloomberg Credit<br>Bond Index |
| Strategy<br>Inception<br>date | October 1, 2009                                  | January 1, 1989                  | April 1, 2011                  | October 1, 2022                       | November 1,<br>2020        | October 1, 1994                   | May 1, 2013                    |
| Asset Style                   | All Cap  | All Cap                          | All Cap                        | All Cap                               | All Cap                    | U.S. Aggregate                    | U.S. Aggregate                 |
| Geographic<br>Region          | World  | EAFE                             | Emerging<br>Markets            | World                                 | U.S.                       | U.S.                              | U.S.                           |
| Holdings<br>Range             | 50-100<br>closed-end funds                       | 50-100<br>closed-end funds       | 30-60<br>closed-end funds      | 75-125<br>closed-end funds            | 20-40<br>closed-end funds  | 25-50<br>closed-end funds         | 25-50<br>closed-end funds      |
| AUM (\$MM)                    | 2,400  | 1,032                            | 548                            | 351                                   | 337                        | 381                               | 422                            |

Source: Allspring. All figures showing in U.S. dollars. Note: Strategies may be available in a separate account or mutual fund where registered.



# What is a closed-end fund?

## Differences between open-end mutual funds and closed-end funds

### OPEN-END MUTUAL FUNDS

|                        |   |
|------------------------|---|
| Ongoing share issuance | Buy/redeem shares through fund manager                      |
| Net asset value        | Total net assets of fund divided by # of shares outstanding |
| Capital structure      | Continual issuance based on investor demand                 |
| Valuation              | Next-day price determined at the market close               |
| Price                  | Pricing = NAV   |

### CLOSED-END FUNDS

|                   |   |
|-------------------|---|
| IPO allocation    | Buy/sell shares listed on an exchange   |
| Net asset value   | Total net assets of fund divided by # of shares outstanding                       |
| Capital structure | Fixed number of shares  |
| Valuation         | Live pricing throughout the trading day   |
| Price             | Price $\neq$ NAV (at a discount or premium to NAV, depending on market sentiment) |



# Closed-end fund market profile

Highly inefficient market with consistent arbitrage opportunities

- Limited Wall Street research coverage
- Few competitors
- Retail nature of CEF investors – driven by fear and greed
- Capacity constrained strategy
- Trading the discount basis



# Closed-end fund investment philosophy

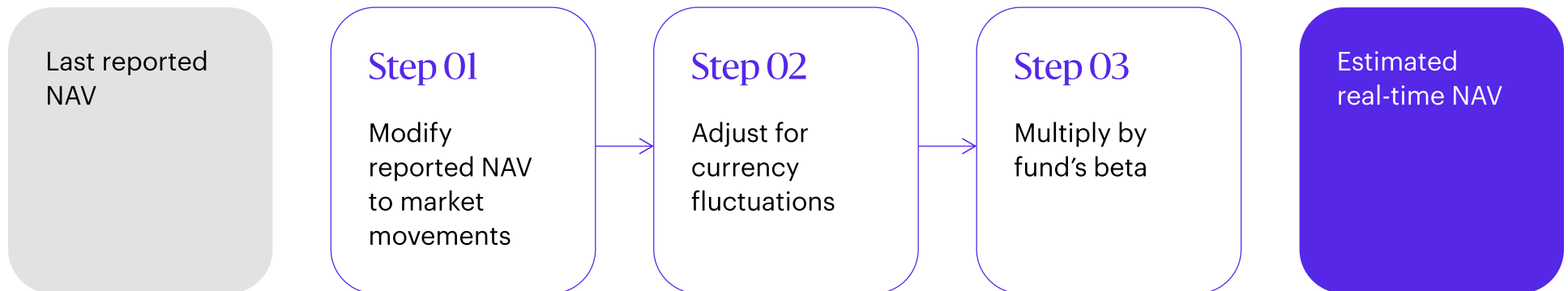
## Approach to capturing intrinsic value

### The opportunity

- Our success lies in our ability to distinguish and invest in compelling opportunities by exploiting market inefficiencies. Given the limited research conducted by Wall Street and the retail nature of CEF investors, abundant arbitrage opportunities exist.
- CEF shares tend to trade at discounts to NAV following an IPO. The CEF portfolio management model is built to capitalize on these arbitrage opportunities.

## Valuation system

(based on proprietary real-time model)





# Investment process

Proprietary quantitative model enhanced by experience and sound judgment

## Proprietary CEF scoring

- Estimated Real-time NAV
- Discount history measured by Z-scores
- NAV performance history of CEFs versus peers

## Qualitative research

- On-site due diligence visits with fund companies and portfolio managers
- Corporate actions which aim to reduce or eliminate discounts





# Investment process

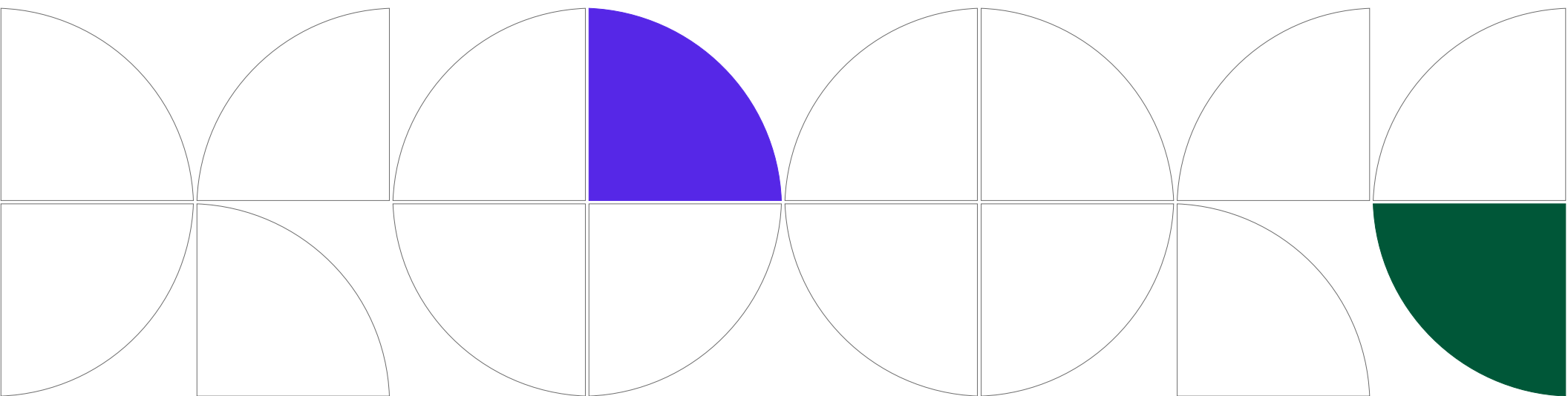
## Opportunities for profit

### Mechanism for discount narrowing

- **Change of manager or mandate:** Boards/shareholders replace Manager with poor track record
- **Discount control management (DCM):** Manager targets specific discount, supports it through buying shares in open market
- **Extraordinary dividends and interval funds:** Manager pays dividend to shareholders at extraordinary times or buys shares at regular intervals to support share price
- **Open-ending:** Manager converts CEF to open-end mutual fund, allowing shareholders to redeem share at full NAV
- **Liquidation:** Board votes to liquidate all assets and gives proceeds to shareholders

# International Equity Closed-End Fund Strategy

03





# Strategy profile: International Equity (International Equity MSCI ACWI ex-U.S. CEF Composite)

## Investment objective

Seeks to generate long-term outperformance and uncorrelated alpha versus the MSCI All Country World Index ex-US.

## Investment process summary

- We seek to exploit a consistent arbitrage opportunity in an inefficient CEF market.
- Employ a consistent and disciplined process that identifies and captures capital growth through investments in undervalued assets trading at discounts.
- Incorporate fundamental analysis of future investment potential, management quality and both absolute and relative attractiveness of each fund's current market price relative to net asset value.

## Benchmark

MSCI All Country World Index ex-US (Net)

## Inception date

October 1, 2009

## Strategy risks

### Market Risk

- Stock values fluctuate in response to the activities of individual companies and general market and economic conditions.

### Foreign Investment Risk

- Foreign investments may be subject to lower liquidity, greater price volatility and risks related to adverse political, regulatory, market or economic developments.

### Emerging Investment Risk

- Emerging market securities typically present even greater exposure to the risks described under "Foreign Investment Risk" and may be particularly sensitive to global economic conditions. Emerging market securities are also typically less liquid than securities of developed countries and could be difficult to sell, particularly during a market downturn.



# International Equity Closed-End Fund Strategy

## Competitive advantages

### Unique source of alpha generation

- Inefficient market, discounts can be driven by fear and greed

### Repeatable investment process

- Discounts are volatile

### “Deep discount” investing

- Pay 85¢ for \$1.00 of assets

### Reactive rather than predictive investing

- Investment strategy is not based on forecasting or pro-forma estimates

### Structural advantages

- Stable pool of assets under management - CEF manager invests through the market cycle

### Sell discipline

- Clearly defined sell signal driven by discounts – sell near or above parity to Net Asset Value (NAV)



# Strategy profile

Unique closed-end fund strategy employing proprietary quantitative models to generate uncorrelated alpha



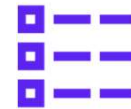
## People

- Experienced portfolio management team with diverse investment background
- Proven quantitative process, balanced with qualitative assessment



## Philosophy

- Pay 85¢ for \$1.00 of assets
- Reduced idiosyncratic risk without style bias



## Process

- Consistent arbitrage opportunity in an inefficient CEF market
- Diversified portfolio of 50-100 closed-end funds



# International Equity Closed-End Fund strategy

## Trading the discount basis – Fidelity European Trust



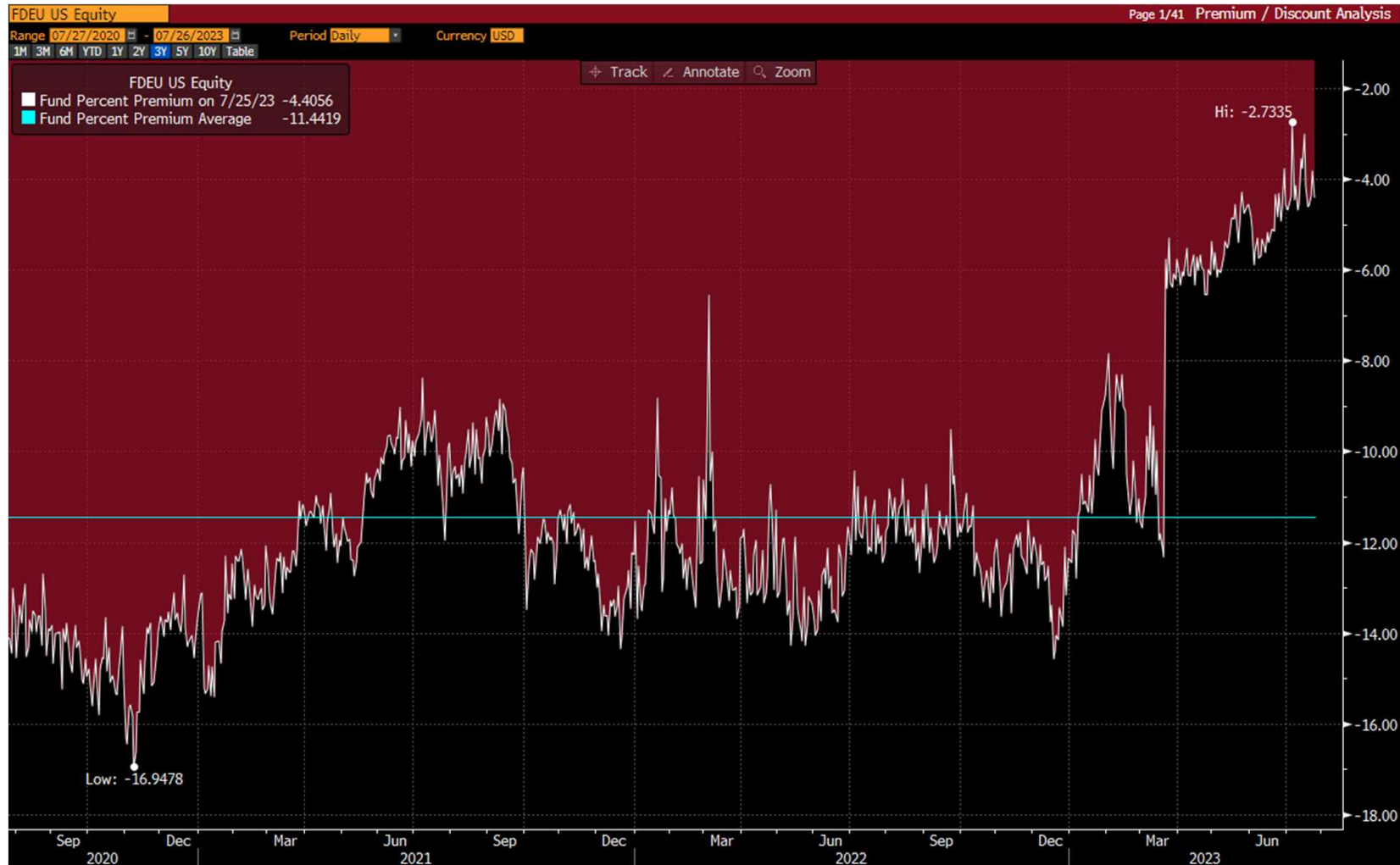
This information is based on the International Equity Closed-End Fund representative account. The information shown is not intended to be, nor should it be construed to be, a recommendation to buy or sell an individual security. A list of all holdings from the prior one-year period is available upon request.

Source: Bloomberg as of July 26, 2023.



# International Equity Closed-End Fund strategy

## Trading the discount basis – First Trust Dynamic Europe Equity Income Fund



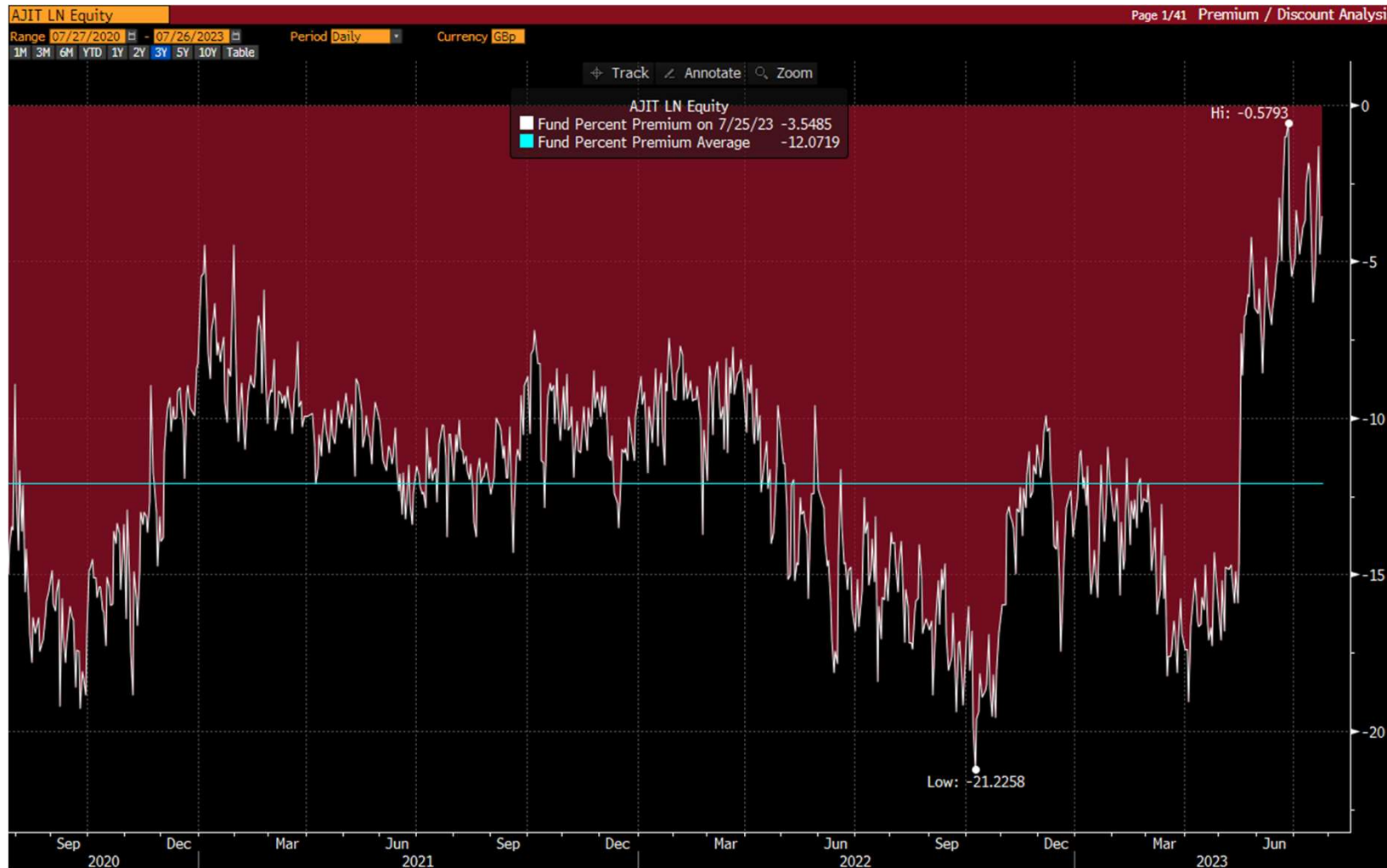
This information is based on the International Equity Closed-End Fund representative account. The information shown is not intended to be, nor should it be construed to be, a recommendation to buy or sell an individual security. A list of all holdings from the prior one-year period is available upon request.

Source: Bloomberg as of July 26, 2023.



# International Equity Closed-End Fund strategy

## Trading the discount basis – Aberdeen Japan Investment Trust



This information is based on the International Equity Closed-End Fund representative account. The information shown is not intended to be, nor should it be construed to be, a recommendation to buy or sell an individual security. A list of all holdings from the prior one-year period is available upon request.

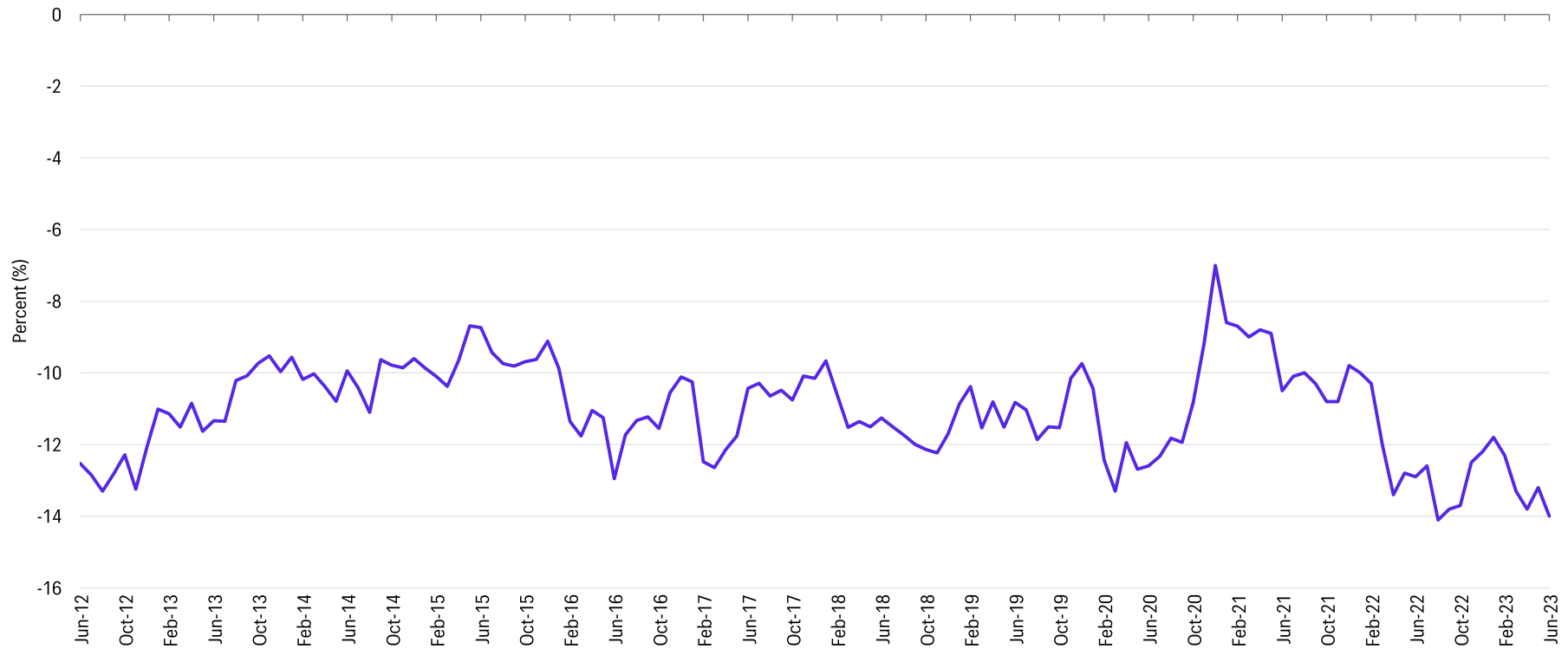
Source: Bloomberg as of July 26, 2023.





# International Equity Closed-End Fund Strategy

## Historical average discount



1 This information is based on a representative account excluding cash within the respective Composite. The representative account has been selected by meeting the following criteria: 1) the account is in the respective Composite, 2) Allspring represents that the holdings, characteristics and risk profile are representative of the strategy/style of the respective Composite. Any changes to the representative account must be approved by Investment Analytics. Past performance is not indicative of future results.

Source: Allspring as of June 30, 2023.



# Universe of international closed-end funds

## Capitalizing on unclaimed shareholder value

As of June 30, 2023

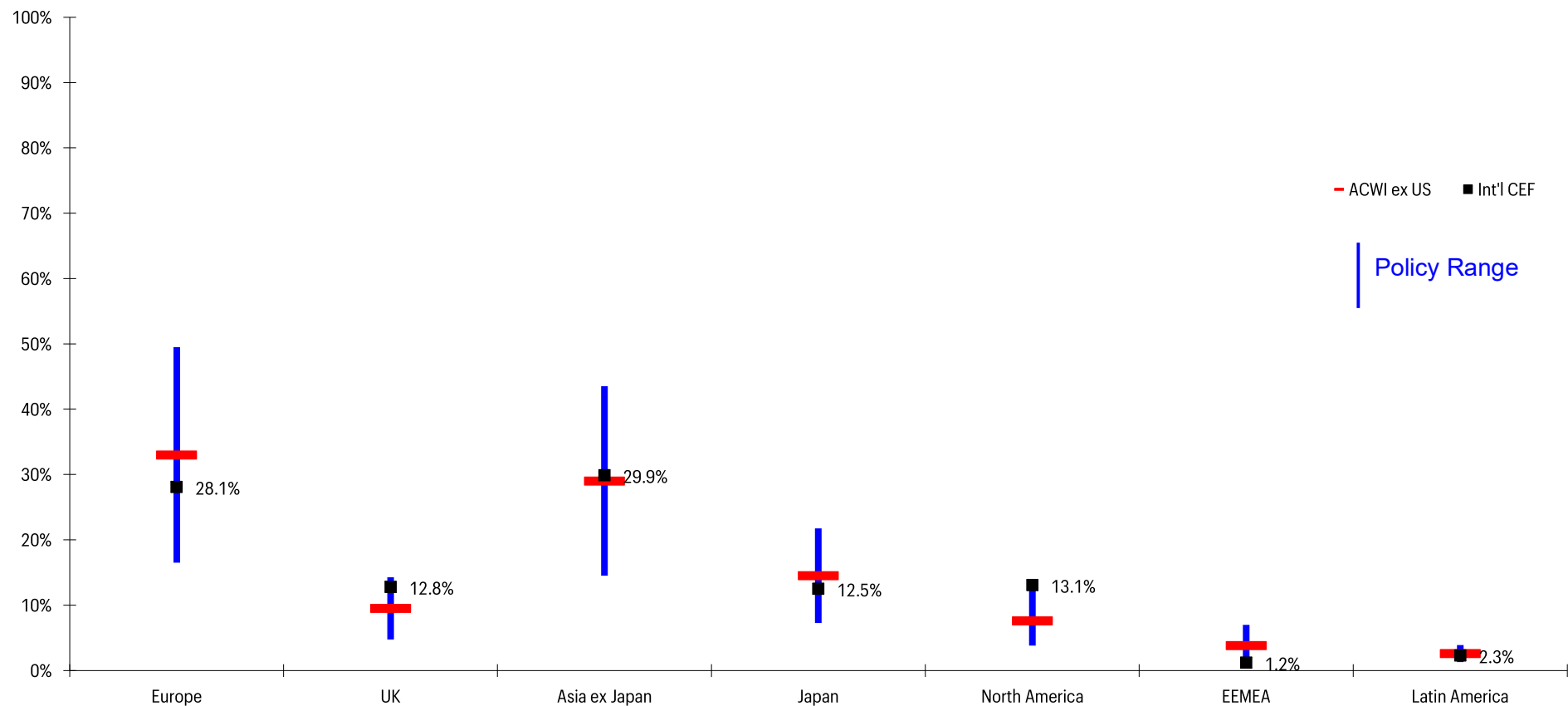
| ASSET CLASS                 | MARKET CAP \$B |
|-----------------------------|----------------|
| U.S. listed international   | \$106.3        |
| UK trusts and offshore      | +150.3         |
| Net assets                  | 256.6          |
| Total market capitalization | -231.1         |
| <b>Discount value</b>       | <b>\$25.5</b>  |



# Investment process

## Portfolio construction

### CEF Regional Weights versus Policy Ranges and ACWI ex U.S. Benchmark



As of June 30, 2023.

This information is based on a representative account within the International Equity MSCI ACWI ex-U.S. CEF Composite. The representative account has been selected by meeting the following criteria: 1) the account is in the International Equity MSCI ACWI ex-U.S. CEF Composite, 2) Allspring Global Investments represents that the holdings, characteristics and risk profile are representative of the strategy/style of the International Equity MSCI ACWI ex-U.S. CEF Composite. Any changes to the representative account must be approved by one of the Co-Heads of Investment Analytics. Top ten holdings are based on market value of the representative account and not necessarily held in all client portfolios. The information shown is not intended to be, nor should it be construed to be, a recommendation to buy or sell an individual security. A list of all holdings from the prior one-year period is available upon request.

Source: Allspring.



# International Equity Closed-End Fund Strategy

## Top ten holdings

As of June 30, 2023

| COMPANY                                     | PORTFOLIO WEIGHT % <sup>1</sup> |
|---|---------------------------------|
| Fidelity European Trust PLC                 | 4.38                            |
| Templeton Emerging Markets Investment Trust | 4.12                            |
| JPMorgan European Discovery Trust           | 3.60                            |
| Herald Investment Trust PLC                 | 3.55                            |
| iShares MSCI Japan ETF                      | 3.46                            |
| European Opportunities Trust PLC            | 3.35                            |
| European Smaller Companies/The Fund         | 3.21                            |
| JPMorgan Japanese Investment Trust          | 3.10                            |
| Caledonia Investments PLC                   | 2.69                            |
| Fidelity Emerging Markets Ltd               | 2.48                            |

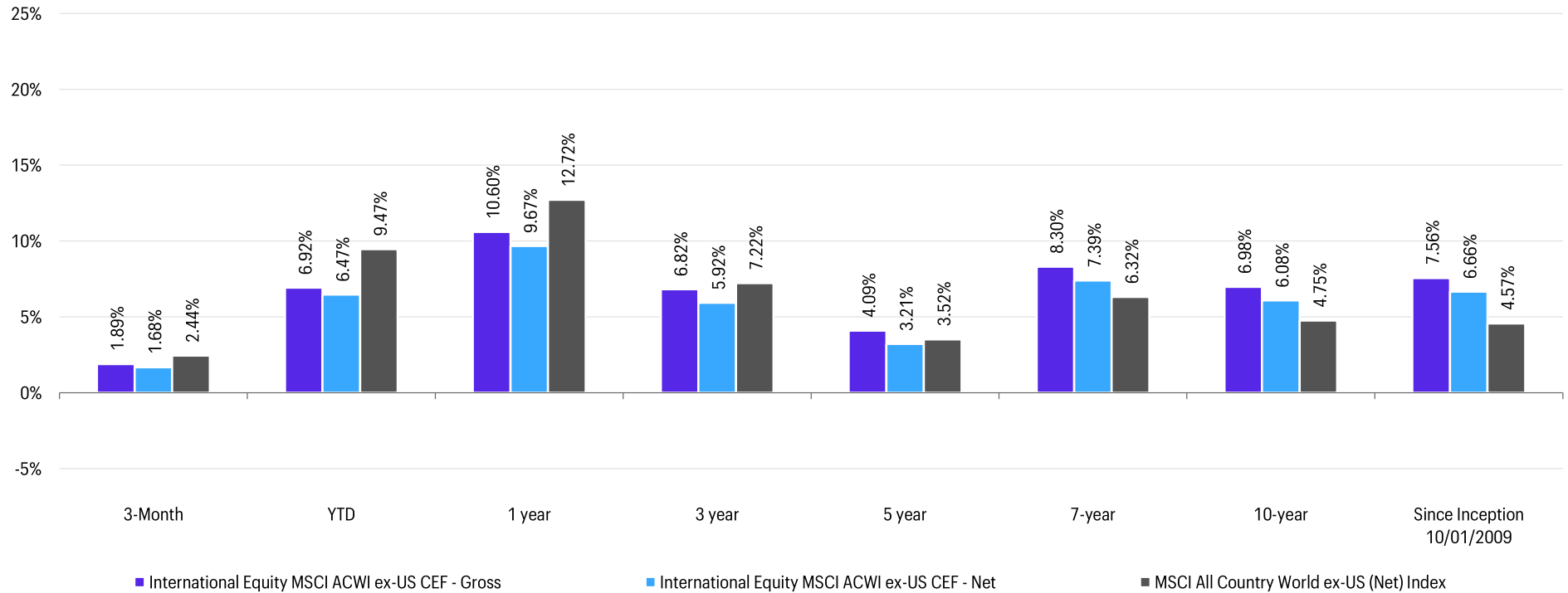
<sup>1</sup> This information is based on a representative account excluding cash within the respective Composite. The representative account has been selected by meeting the following criteria: 1) the account is in the respective Composite, 2) Allspring represents that the holdings, characteristics and risk profile are representative of the strategy/style of the respective Composite. Any changes to the representative account must be approved by Investment Analytics. Past performance is not indicative of future results. Top ten holdings are based on market value of the representative account and not necessarily held in all client portfolios. The information shown is not intended to be, nor should it be construed to be, a recommendation to buy or sell an individual security. A list of all holdings from the prior one-year period is available upon request.

Source: Allspring



# International Equity Closed-End Fund Strategy: Annualized & calendar returns

Performance (%)



|  | 2023 YTD | 2022   | 2021 | 2020  | 2019  | 2018   | 2017  | 2016 | 2015  | 2014  |
|--|----------|--------|------|-------|-------|--------|-------|------|-------|-------|
| International Equity MSCI ACWI ex-US CEF – Gross (%) | 6.92     | -22.19 | 8.98 | 21.32 | 25.68 | -13.64 | 36.32 | 2.56 | -1.65 | -0.42 |
| International Equity MSCI ACWI ex-US CEF – Net (%)   | 6.47     | -22.86 | 8.07 | 20.30 | 24.64 | -14.38 | 35.20 | 1.69 | -2.48 | -1.26 |
| MSCI All Country World ex-US (Net) Index (%)         | 9.47     | -16.00 | 7.82 | 10.65 | 21.51 | -14.20 | 27.19 | 4.50 | -5.66 | -3.87 |

As of 30 June 2023. Source: Allspring Global Investments. Benchmark/Index Source: FactSet.

All returns for periods greater than one year are annualized.

The GIPS® composite report can be found at the end of this presentation, including information on net returns.

Past performance is not a reliable indicator of future results.



# International Equity Closed-End Fund Strategy

## Portfolio statistics

As of June 30, 2023

| PORTFOLIO STATISTICS         | 3 YEARS | 5 YEARS |
|------------------------------|---------|---------|
| Annualized Alpha             | -0.46   | 0.61    |
| R-Squared                    | 0.94    | 0.96    |
| Beta                         | 1.04    | 1.07    |
| Info Ratio                   | -0.09   | 0.14    |
| Tracking Error               | 4.29%   | 4.05%   |
| Upside Capture Ratio (net)   | 99.79%  | 105.63% |
| Downside Capture Ratio (net) | 104.72% | 104.87% |

Source: Allspring.

All returns for periods greater than one year are annualized. Returns in USD.

<sup>1</sup> This information represents the International Equity MSCI ACWI ex-US CEF Composite. Source: FactSet.

Note: The GIPS® composite report can be found at the end of this presentation, including information on net returns.

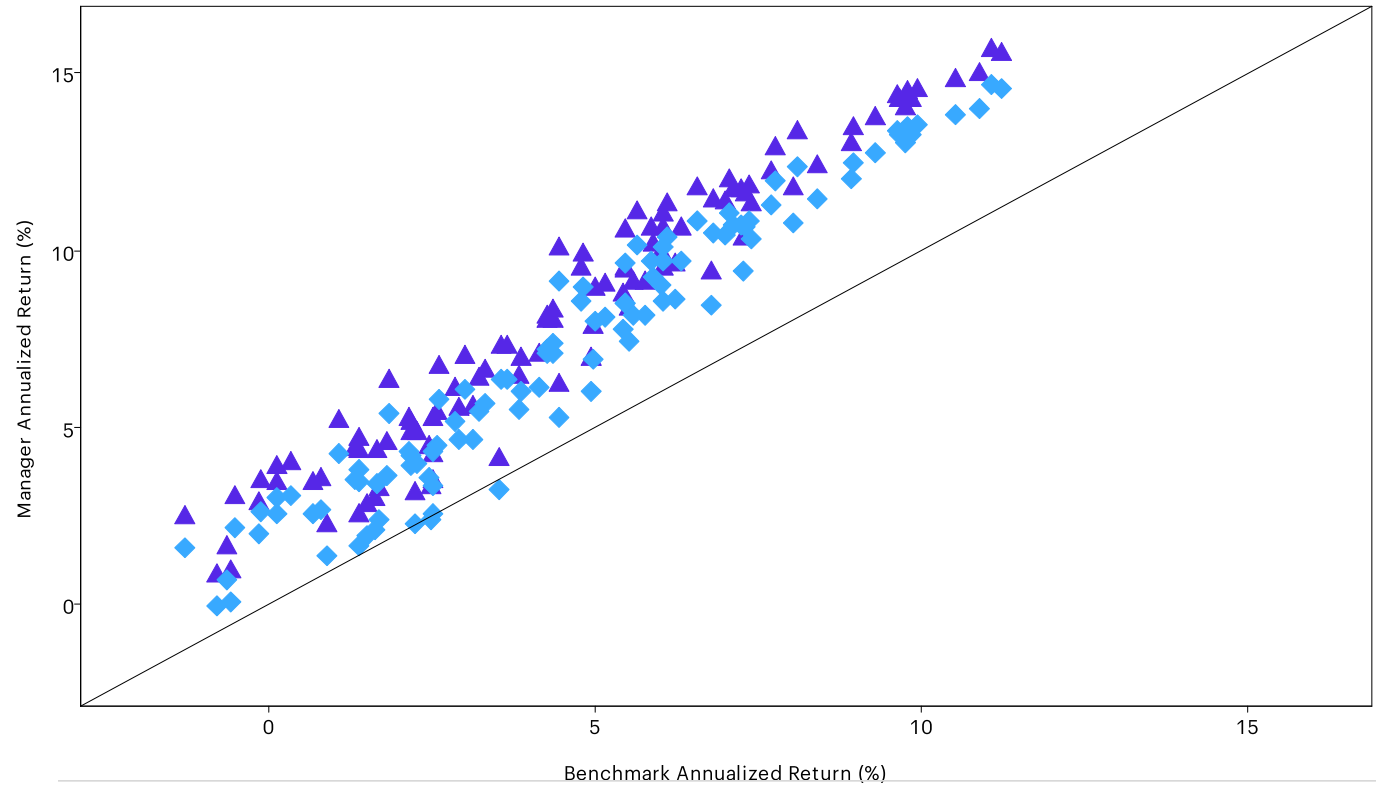
Past performance is not a reliable indicator of future results.



# International Equity Closed-End Fund Strategy: Performance consistency (5 year rolling periods)

June 2023

- ▲ International Equity CEF
- ◆ International Equity CEF - Net



|                                | # Observations | # Outperform Benchmark | % Outperform Benchmark |
|--------------------------------|----------------|------------------------|------------------------|
|                                | Total          | Total                  | Total                  |
| International Equity CEF       | 106            | 106                    | 100                    |
| International Equity CEF - Net | 106            | 104                    | 98                     |
| MSCIACWIex-US-ND               |                |                        |                        |

Source: eVestment Alliance Database via MPI. Performance is gross and does not include fees and expenses which will reduce returns. The GIPS Composite Report, including information on net returns, can be found at the end of this report. **Past performance is not a reliable indicator of future results.**



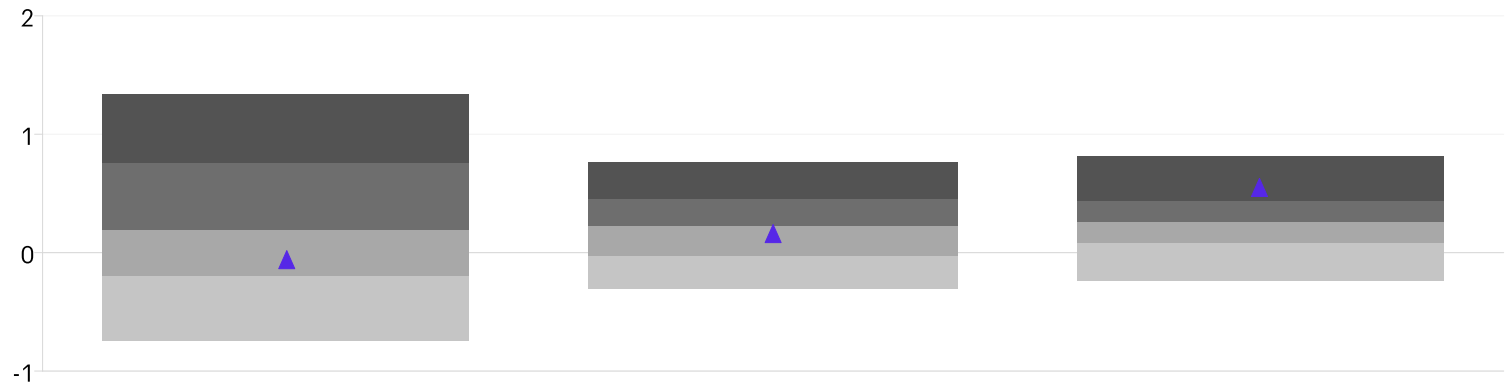
# International Equity Closed-End Fund Strategy: Performance

## Manager vs. MSCI ACWI ex-US-ND Return

### Information Ratio

June 30, 2023

- 5th to 25th Percentile
- 25th to Median
- Median to 75th Percentile
- 75th to 95th Percentile
- ▲ International Equity CEF



Universe:  
eA ACWI ex-US All Cap Equity

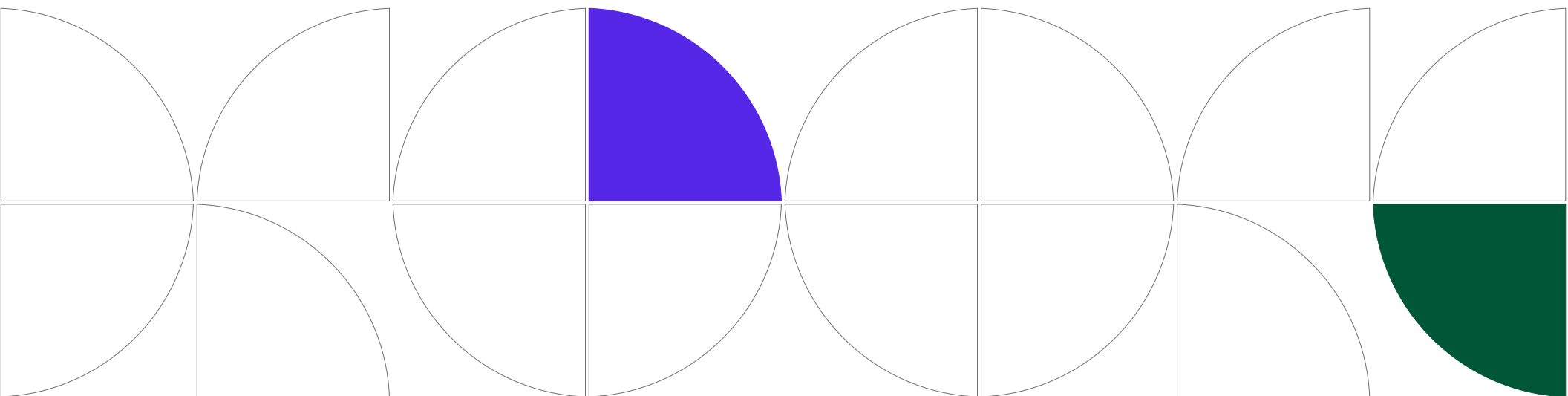
|                          | 3 Years |      | 5 Years |      | 7 Years |      |
|--------------------------|---------|------|---------|------|---------|------|
|                          | IR      | Rank | IR      | Rank | IR      | Rank |
| International Equity CEF | -0.09   | 69   | 0.14    | 60   | 0.53    | 17   |
| # of Observations        | 115     |      | 107     |      | 99      |      |
| Universe(5%)             | 1.35    |      | 0.77    |      | 0.82    |      |
| Universe(25%)            | 0.75    |      | 0.45    |      | 0.45    |      |
| Universe(Median)         | 0.20    |      | 0.24    |      | 0.27    |      |
| Universe(75%)            | -0.19   |      | -0.02   |      | 0.09    |      |
| Universe(95%)            | -0.74   |      | -0.31   |      | -0.24   |      |

Source: eVestment Alliance Database via MPI. Performance is gross and does not include fees and expenses which will reduce returns. The GIPS Composite Report, including information on net returns, can be found at the end of this report. **Past performance is not a reliable indicator of future results.**



# U.S. All Cap Equity Closed-End Fund Strategy

04





# Strategy profile: U.S. All Cap Equity Closed-End Fund

## Investment objective

Seeks to generate long-term outperformance and uncorrelated alpha versus the Russell 3000 Index.

## Investment process summary

- We seek to exploit a consistent arbitrage opportunity in an inefficient CEF market.
- Employ a consistent and disciplined process that identifies and captures capital growth through investments in undervalued assets trading at discounts.
- Incorporate fundamental analysis of future investment potential, management quality and both absolute and relative attractiveness of each fund's current market price relative to net asset value.

## Benchmark

Russell 3000 Index

## Inception date

November 1, 2020

## Strategy risks

### Market Risk

- Stock values fluctuate in response to the activities of individual companies and general market and economic conditions.

### Foreign Investment Risk

- Foreign investments may be subject to lower liquidity, greater price volatility and risks related to adverse political, regulatory, market or economic developments.

### Growth/Value Investing Risk

- Securities that exhibit growth or value characteristics tend to perform differently and shift into and out of favor with investors depending on changes in market and economic sentiment and conditions.

### Smaller Company Securities Risk

- Companies with smaller market capitalizations tend to be more volatile and less liquid than those of larger companies.



# U.S. All Cap Equity Closed-End Fund Strategy

## Investment objectives and expectations

### Return objectives (3+ year investment horizons):

- 250 bps of annualized alpha
- 250 bps of tracking error
- Beta approximating 1.0

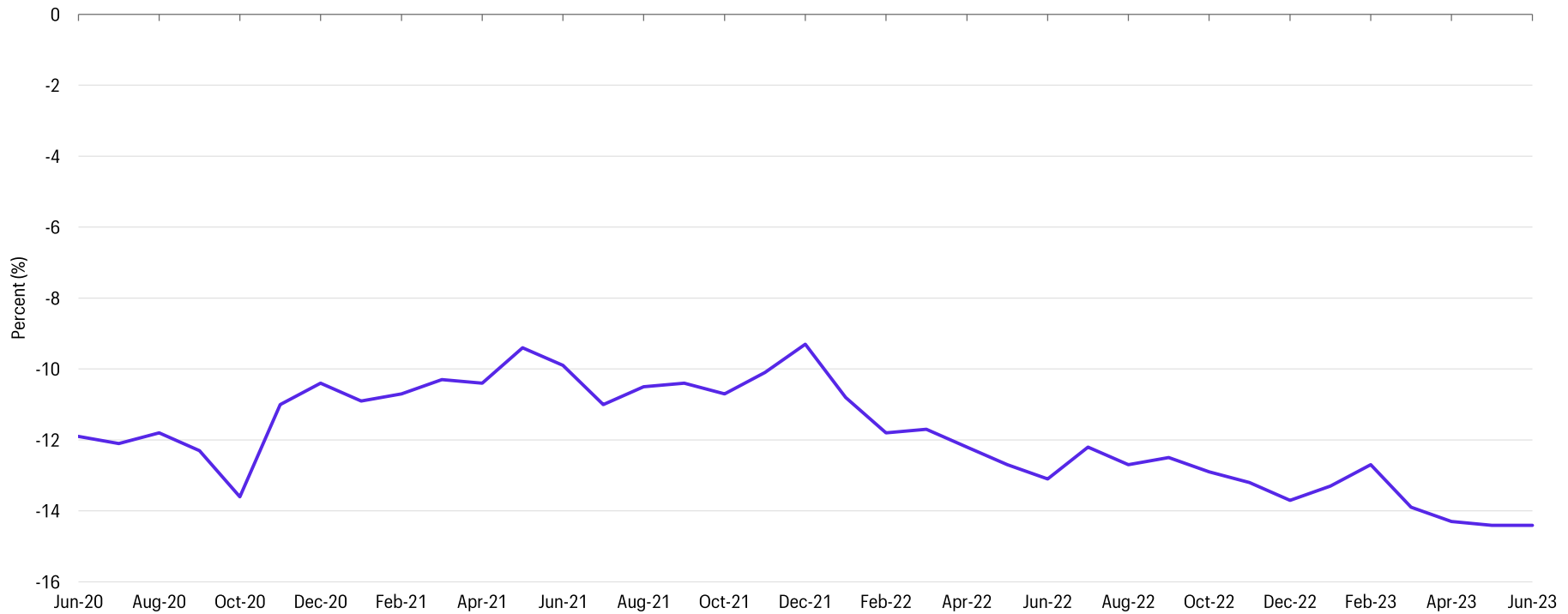
### Strategy expectations

- Investable universe of 180 funds
- Portfolio consisting of 20-40 CEFs and ETFs
- Cash of 2-10% to offset leverage employed within CEFs (beta management)



# Discount history – U.S. CEF universe

Weighted average discount U.S. Equity CEF Universe



Source: Benchmark LP as of June 30, 2023.

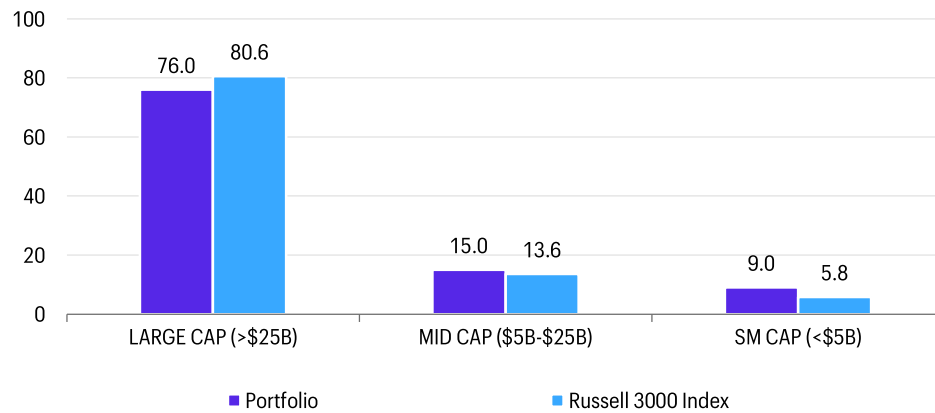


# U.S. All Cap Equity CEF strategy

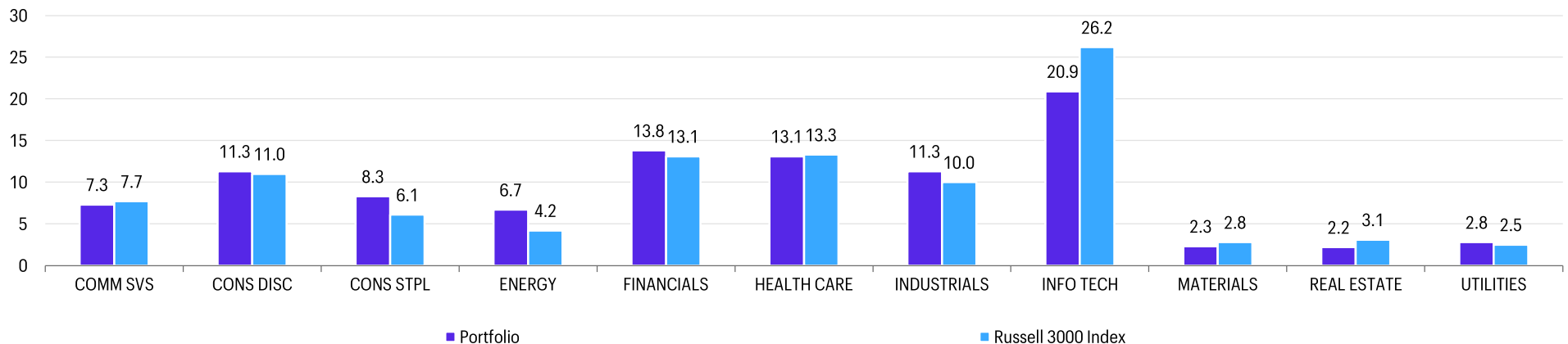
## Portfolio characteristics

As of June 30, 2023

### Market cap (%)



### GIC distribution (%)



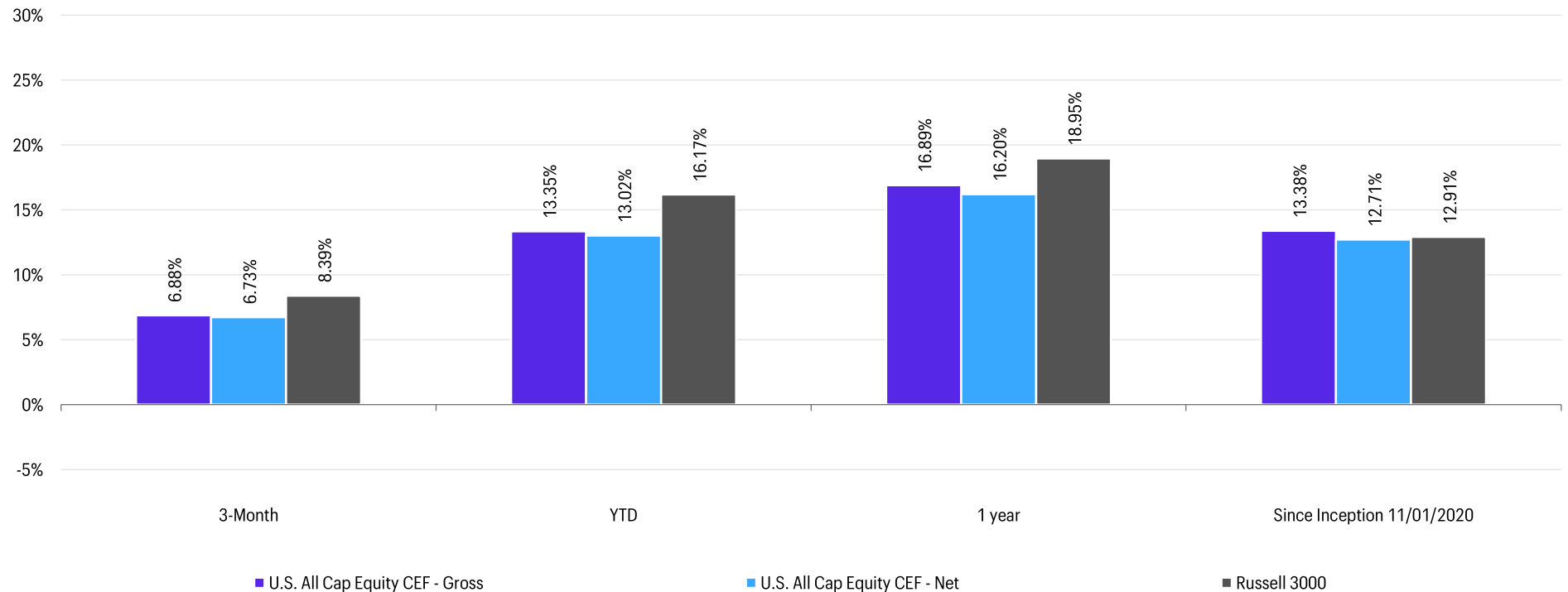
1 This information is based on a representative account excluding cash within the respective Composite. The representative account has been selected by meeting the following criteria: 1) the account is in the respective Composite, 2) Allspring represents that the holdings, characteristics and risk profile are representative of the strategy/style of the respective Composite. Any changes to the representative account must be approved by Investment Analytics. Past performance is not indicative of future results

Source: Allspring. Index Source: FactSet.



# U.S. All Cap Equity Closed-End Fund Strategy: Annualized & calendar returns

Performance (%)



|                                     | 2023 YTD | 2022   | 2021  | 2020 (IP)* |
|-------------------------------------|----------|--------|-------|------------|
| U.S. All Cap Equity CEF – Gross (%) | 13.35    | -17.85 | 25.77 | 19.34      |
| U.S. All Cap Equity CEF – Net (%)   | 13.02    | -18.35 | 25.04 | 19.23      |
| Russell 3000 Index (%)              | 16.17    | -19.21 | 25.66 | 17.21      |

As of 30 June 2023. Source: Allspring Global Investments. Benchmark/Index Source: FactSet.

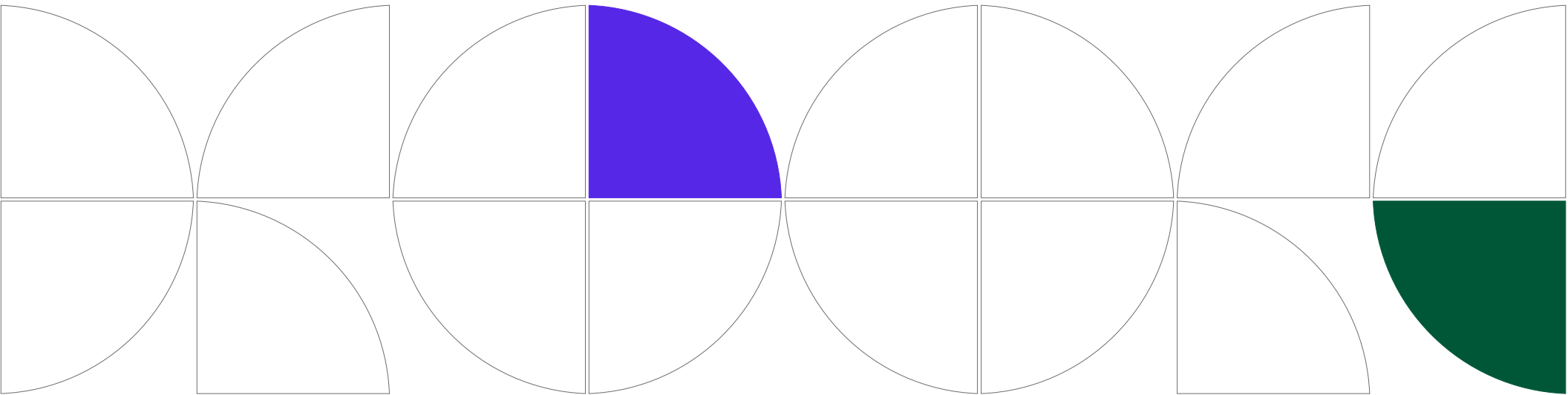
All returns for periods greater than one year are annualized.

The GIPS® composite report can be found at the end of this presentation, including information on net returns.

Past performance is not a reliable indicator of future results.

# Global Equity Closed-End Fund Strategy

05





# Strategy profile: Global Equity Closed-End Fund

## Investment objective

Seeks to generate long-term outperformance and uncorrelated alpha versus the MSCI All Country World Index.

## Investment process summary

- Unique Closed-End Fund (CEF) strategy seeking to generate uncorrelated alpha.
- Employs disciplined, quantitative model-driven approach, balanced with thorough qualitative research to assess relative value of international equity CEFs.
- Incorporates fundamental analysis of investment potential, management quality, and both absolute and relative attractiveness of each fund's current market price relative to net asset value.

## Benchmark

MSCI All Country World Index (Net)

## Inception date

October 1, 2022

## Strategy risks

### Market Risk

- Stock values fluctuate in response to the activities of individual companies and general market and economic conditions.

### Foreign Investment Risk

- Foreign investments may be subject to lower liquidity, greater price volatility and risks related to adverse political, regulatory, market or economic developments.

### Emerging Markets Risk:

- Emerging market securities typically present even greater exposure to the risks described under "Foreign Investment Risk" and may be particularly sensitive to global economic conditions. Emerging market securities are also typically less liquid than securities of developed countries and could be difficult to sell, particularly during a market downturn.





# Global Equity Closed-End Fund Strategy

## Investment objectives and expectations

### Return objectives (3+ year investment horizons):

- 250 bps of annualized alpha
- 250 bps of tracking error
- Beta approximating 1.0

### Strategy expectations

- Investable universe of 400 funds
- Portfolio consisting of 75-125 CEFs
- Cash of 2-10% to offset leverage employed within CEFs (beta management)

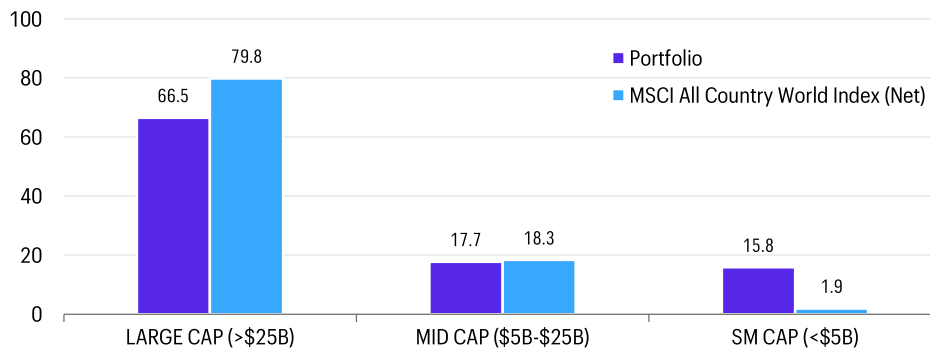


# Global Equity Closed-End Fund Strategy

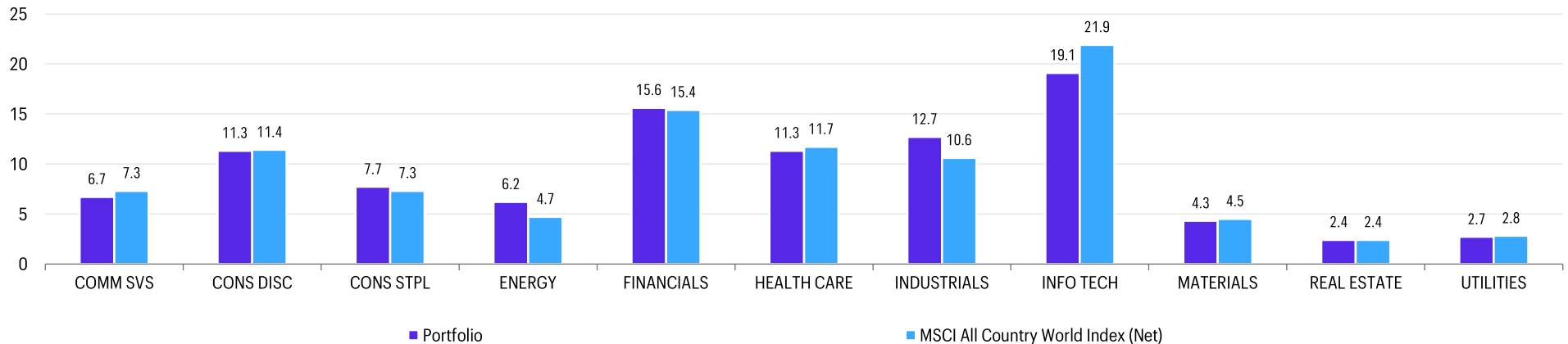
## Portfolio characteristics

As of June 30, 2023

### Market cap (%)



### GIC distribution (%)



1 This information is based on a representative account excluding cash within the respective Composite. The representative account has been selected by meeting the following criteria: 1) the account is in the respective Composite, 2) Allspring represents that the holdings, characteristics and risk profile are representative of the strategy/style of the respective Composite. Any changes to the representative account must be approved by Investment Analytics. Past performance is not indicative of future results

Source: Allspring. Index Source: FactSet.



# Global Equity Closed-End Fund Strategy

## Top 15 countries

As of June 30, 2023

| COUNTRY        | GLOBAL EQUITY<br>CLOSED-END FUND<br>STRATEGY % <sup>1</sup> | MSCI ALL COUNTRY<br>WORLD INDEX (NET) % | DIFFERENCE % |
|----------------|---|---|--------------|
| United States  | 60.9  | 61.8                                    | -0.9         |
| Japan          | 4.9   | 5.6                                     | -0.7         |
| United Kingdom | 4.4   | 3.8                                     | 0.6          |
| Canada         | 4.4   | 2.9                                     | 1.5          |
| China          | 3.5   | 3.1                                     | 0.4          |
| France         | 3.0   | 2.8                                     | 0.2          |
| India          | 2.5   | 1.6                                     | 0.9          |
| Switzerland    | 2.1   | 2.7                                     | -0.6         |
| Germany        | 1.9   | 2.0                                     | -0.1         |
| Taiwan         | 1.4   | 1.6                                     | -0.2         |
| Netherlands    | 1.4   | 1.3                                     | 0.1          |
| Australia      | 1.1   | 1.7                                     | -0.6         |
| Vietnam        | 1.0   | 0.0                                     | 1.0          |
| South Korea    | 1.0   | 1.3                                     | -0.3         |
| Sweden         | 0.7   | 0.7                                     | 0.0          |

<sup>1</sup> This information is based on a representative account excluding cash within the respective Composite. The representative account has been selected by meeting the following criteria: 1) the account is in the respective Composite, 2) Allspring represents that the holdings, characteristics and risk profile are representative of the strategy/style of the respective Composite. Any changes to the representative account must be approved by Investment Analytics. Past performance is not indicative of future results. Top ten holdings are based on market value of the representative account and not necessarily held in all client portfolios. The information shown is not intended to be, nor should it be construed to be, a recommendation to buy or sell an individual security. A list of all holdings from the prior one-year period is available upon request.

Source: Allspring



# Global Equity Closed-End Fund Strategy

## Top ten holdings

As of June 30, 2023

| COMPANY   | PORTFOLIO WEIGHT % <sup>1</sup> |
|---|---------------------------------|
| SPDR S&P 500 ETF Trust                            | 11.91                           |
| Adams Diversified Equity Fund                     | 4.61                            |
| General American Investors Company                | 4.24                            |
| iShares Russell 3000 ETF                          | 3.74                            |
| Virtus Dividend, Interest & Premium Strategy Fund | 3.46                            |
| North American Income Trust                       | 2.75                            |
| Polar Capital Technology Trust                    | 2.70                            |
| Gabelli Dividend & Income Trust                   | 2.44                            |
| Polar Capital Global Healthcare Trust             | 2.33                            |
| Tri-Continental Corp                              | 2.15                            |
| <b>Total</b>                                      | <b>40.33</b>                    |

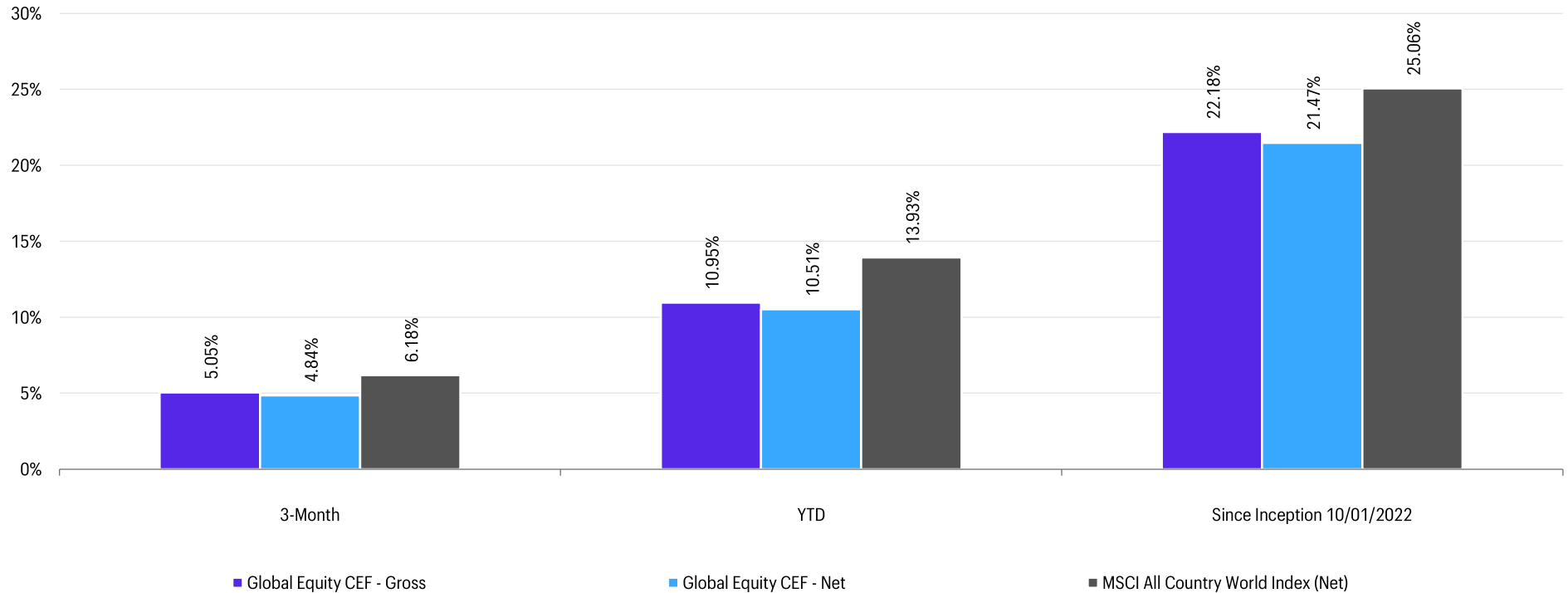
<sup>1</sup> This information is based on a representative account excluding cash within the respective Composite. The representative account has been selected by meeting the following criteria: 1) the account is in the respective Composite, 2) Allspring represents that the holdings, characteristics and risk profile are representative of the strategy/style of the respective Composite. Any changes to the representative account must be approved by Investment Analytics. Past performance is not indicative of future results. Top ten holdings are based on market value of the representative account and not necessarily held in all client portfolios. The information shown is not intended to be, nor should it be construed to be, a recommendation to buy or sell an individual security. A list of all holdings from the prior one-year period is available upon request.

Source: Allspring



# Global Equity Closed-End Fund Strategy: Annualized & calendar returns

## Performance (%)



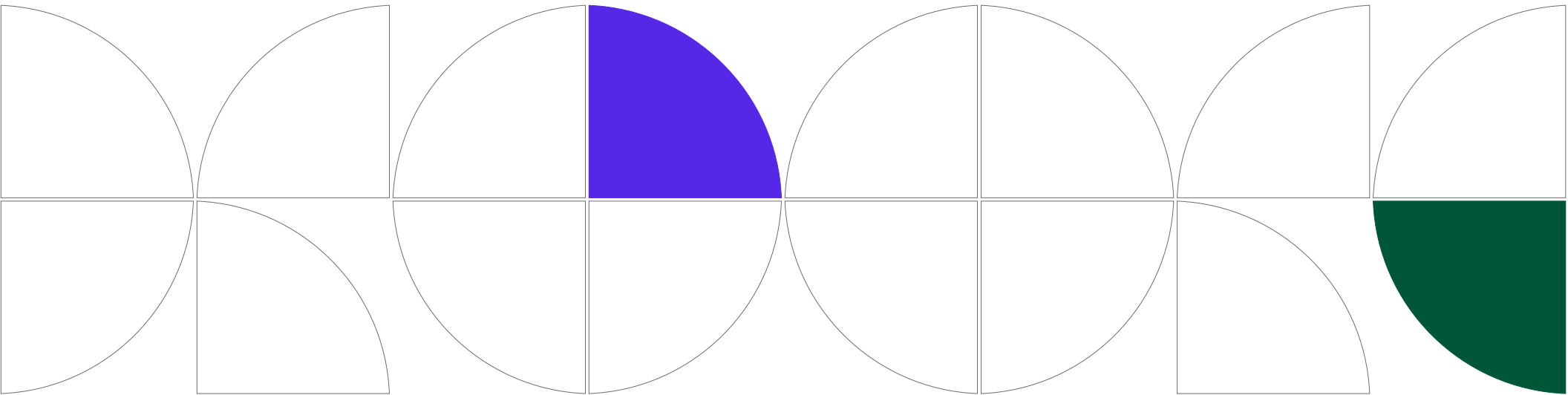
|  | 2023 YTD | 2022 (IP)* |
|--|----------|------------|
| Global Equity CEF – Gross (%)          | 10.95    | 10.12      |
| Global Equity CEF – Net (%)            | 10.51    | 9.91       |
| MSCI All Country World Index (Net) (%) | 13.93    | 9.76       |

As of June 30, 2023. Source: Allspring Global Investments. Benchmark/Index Source: FactSet.

\*October 1, 2022 (Inception) through December 31, 2022.

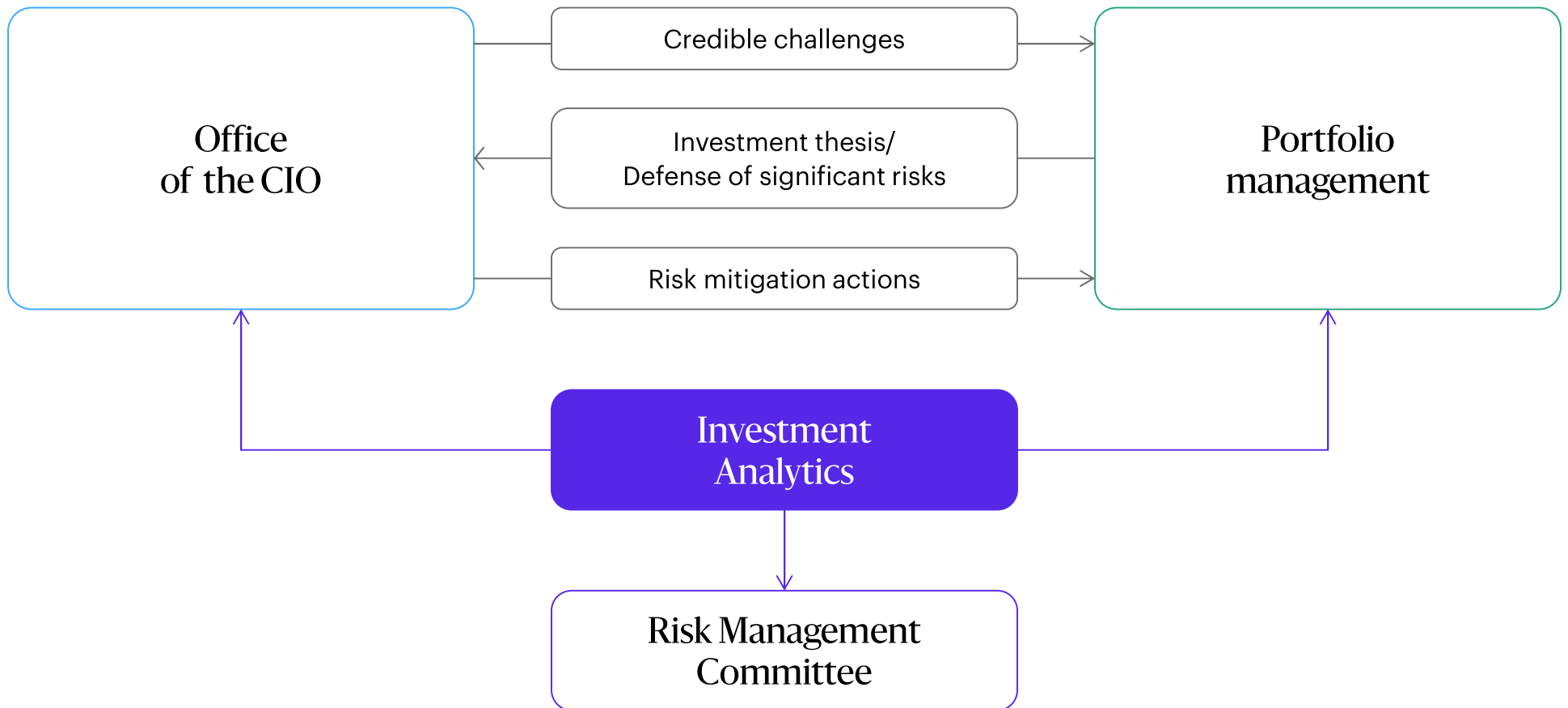
The GIPS® composite report can be found at the end of this presentation, including information on net returns.

Past performance is not a reliable indicator of future results.





# Four levels of investment risk review





# Investment risk management competitive advantages

## Dual mandate (oversight and analytics)

Provide oversight on each team's investment process  
Help teams understand intended and unintended investment risks

Creates a collaborative environment that leads to a better understanding of investment risk

## Provides a credible challenge to exposures

Office of the CIO supported by an experienced team of risk and analytics professionals

Facilitates a culture of accountability and helps ensure the consistent generation of risk-adjusted alpha

## Highly automated reporting infrastructure

Daily risk reporting  
Daily performance reporting

Customized analytics that provide investment teams with a competitive edge

## Unique reporting and skill analysis tools

Comprehensive risk decomposition  
Attribution analysis and reporting  
Portfolio skill assessment tools

Delivers actionable recommendations that help add alpha





# The four pillars of sustainability at Allspring

Our responsibility is to be aware of how ESG risks and sustainability considerations influence investment outcomes today to help our clients succeed financially and to benefit wider society



## ESG risk

Developing in-house methodologies and ESG scores to better understand the material risks of issuers



## Climate

Integrating climate change risks within investment processes and designing portfolio decarbonization methodologies



## Impact

Creating ways to understand, report, and focus on driving positive environmental and social outcomes



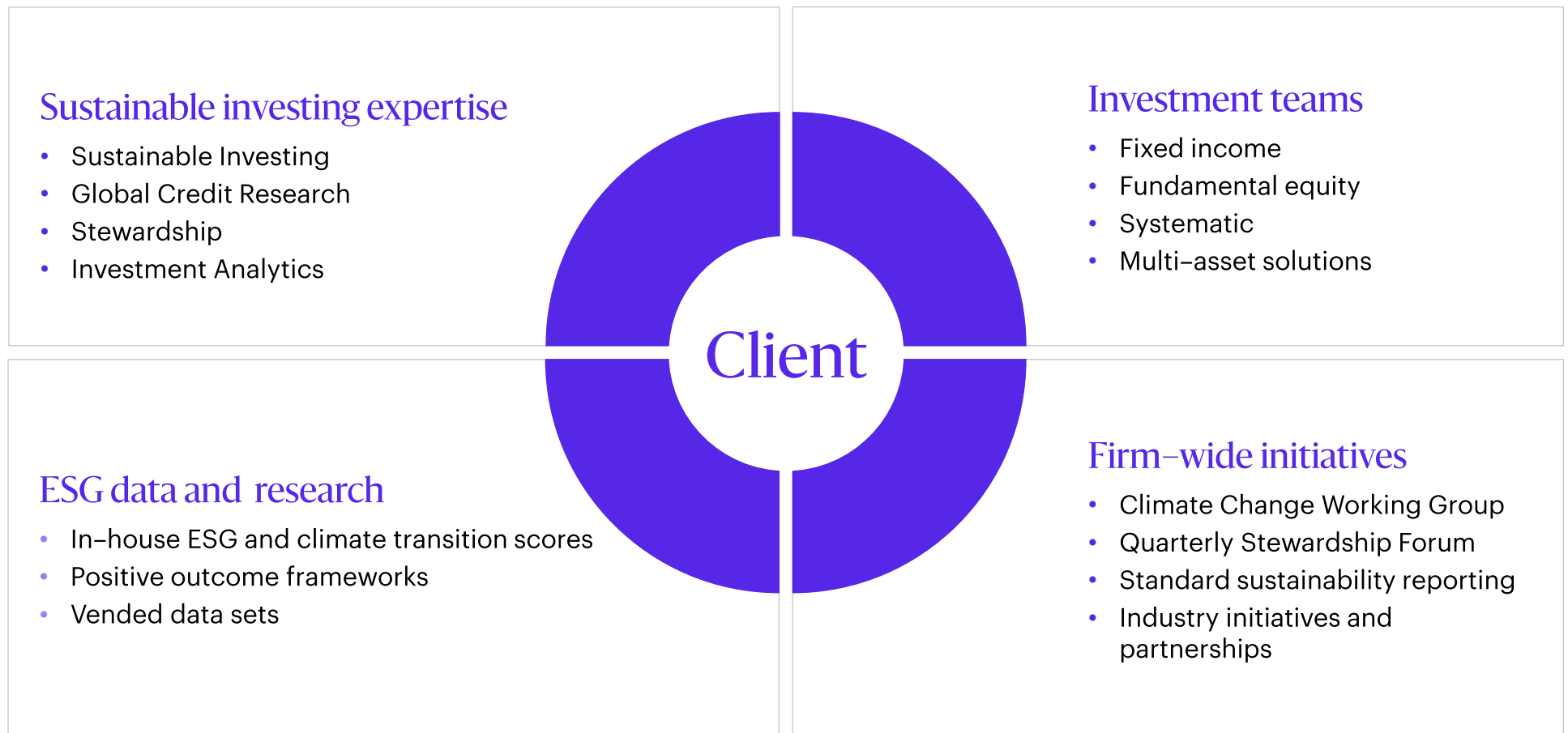
## Stewardship

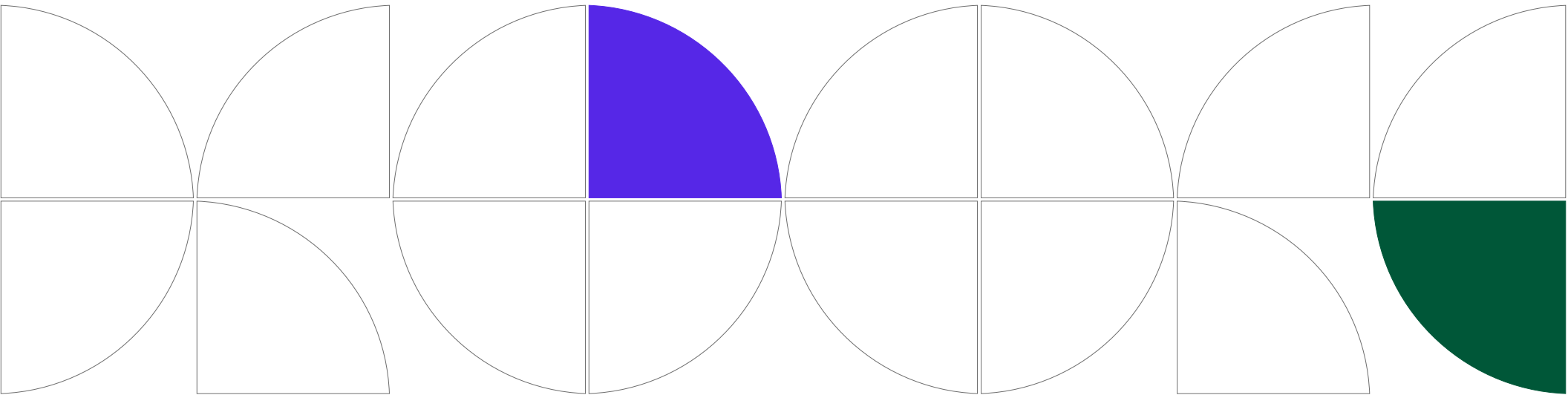
Centralizing and strategically prioritizing our engagement with issuers through our dedicated stewardship team



# The Allspring sustainability ecosystem

Allspring supports its specialized investment teams with dedicated sustainable investing professionals and resources







# Making our differences *the* difference

At Allspring, we are committed to growing and benefitting from the diversity of our people to engender a culture of inclusion and equity where ALL colleagues can reach their full potential. Embracing and respecting diverse ideas and abilities enables us to better understand and serve the unique needs of our clients and communities with world-class products and solutions.

## Establishing a framework

Our focus on promoting Diversity, Equity, and Inclusion (DE&I) across all aspects of our business is vital to our success. We firmly believe that bringing together multiple perspectives empowers creativity and innovation, a deeper understanding of our clients, and the ability to see business opportunities in new ways. This is what we mean by “making our differences our difference.”

To support Allspring’s framework within our newly created company, we established our Office of Diversity in April 2022 and named two of our leaders as Chief Diversity Officer and Deputy Chief Diversity Officer.



ANN MILETTI  
Chief Diversity Officer and Head of Active Equity

With more than 30 years in the industry, Ann has distinguished herself as an investment leader, portfolio manager, and analyst in a traditionally male-dominated industry. She is an advocate and champion for women and diversity in investments and is active in multiple industry and internal forums that drive progress in these areas. Ann’s deep experience, passion, and commitment make her the right leader, at the right time, to take on this critically important position. In addition to her new position, Ann will join the Executive Leadership Team (ELT) and continue in her role as Head of Active Equity at Allspring.



SONYA RORIE, CFA  
Deputy Chief Diversity Officer

Sonya joins the Chief Diversity Office from the Institutional Client Group where she has been a Client Relations Director managing key corporate endowment and foundation client accounts. Sonya is a long-time advocate for DE&I in our industry and a co-founder of the Diversity Investment Management Engagement (DIME) Program. With more than 25 years in the industry, Sonya’s relationship management skills and industry advocacy experience make her a strong partner with Ann to drive our DE&I goals forward.



# Intentional about DE&I to unlock what's possible

## ENGAGEMENT AND 2023 EVENTS

- **Allspring Connect Groups**—An initiative we launched in 2022 to bring employees together around common diversity dimensions, encouraging Allspringers to show up, listen, learn, and lend their voice to the conversation.
- **Days of Connectivity**—All Allspring employees participated in a two-week community service event across all our locations. Service projects were nominated by our Connect Group members and we had over 300 hours of service in our local communities.
- **Women's History Month Speaker: Chief Lynn Malerba**—The Treasurer of the United States, Chief Lynn Malerba, spoke to Allspring employees and clients about her new role as Treasurer and her historical appointment as the first Chief of the Mohegan Tribe. This event was sponsored by our Native Peoples and Women's Connect Group.
- **Black History Month 2023**—Firm-wide event panel discussion on "Empowering Intergenerational Black Talent".
- **National Autism Awareness Month 2023**—Firm-wide event panel discussion to raise awareness of autism, dispel common myths, and to share how to advocate for those with autism.
- **Asian Pacific Islander Month**—A panel discussion about dynamics that affect AAPI employees in the workplace. This will be a thought-provoking exchange featuring Allspring employees and experts from the USC Race and Equity Center.
- **Celebrating Pride Month**—Hosted a webinar with SpeakOut Boston on June 1, 2023 on intersectionality with members of the LGBTQ community.
- **Veteran's Event**—Hosted an in person event on April 19, 2023 with the Honor Foundation from Fort Bragg with 40 members retiring from special forces operations to introduce them to careers within the asset management industry.

## 2023 COMMUNICATIONS

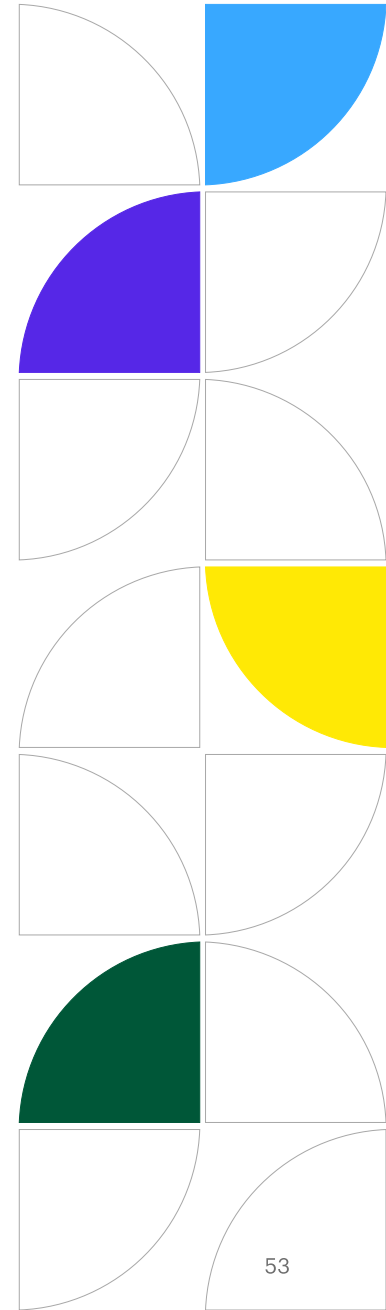
- **Women's Day Podcast**—Released podcast featuring Sallie Squire, Allspring COO, on her career journey and balancing family/worklife.
- **Pride Month Podcast**—Released podcast featuring an Allspring portfolio manager who discussed his LGBTQ journey to kickoff Pride Month.
- **DE&I Digest**—Published two quarterly newsletters featuring topics, resources, and opportunities for Allspringers to get involved in this effort and being part of the solution.

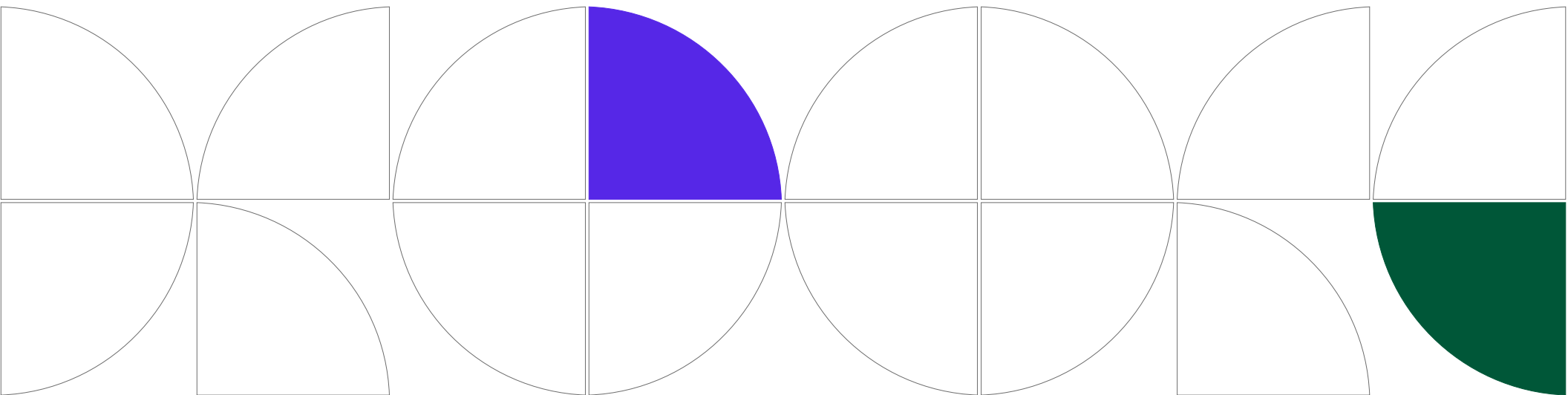
## DEVELOPING TALENT

- **Investment 20/20 Sponsorship**—This organization provides a high-quality route through to a career in investment management.
- **DIME Sponsorship**—The mission of DIME is to identify, develop and mentor the next generation of minority investment talent.
- **Secure Futures Sponsorship**—This organization is focused on building stronger communities by empowering teens with financial education, tools, and mentorship.

## INDUSTRY ENGAGEMENT

- **Diversity Project North America**—A cross-company, industry initiative that seeks to drive measurable change for member firms, and for the global asset management industry as a whole.
- **Diversity Project UK**—A cross-company initiative championing a truly diverse, equitable and inclusive UK investment and savings industry.







# Investment team



ERIC HARPER, CFA

## Managing Director, Lead Portfolio Manager, Closed-End Fund Strategies

Eric Harper is a managing director and lead portfolio manager for the Closed-End Fund Strategies team at Allspring Global Investments. His responsibilities include managing the team responsible for developing the firm's overall investment strategy as it pertains to closed-end funds. He also directs portfolio management, research, trading, and investment risk management within the specialty of closed-end funds and is a member of the Investment Review Committee. Eric joined Allspring from its predecessor firm, Wells Fargo Asset Management (WFAM). He joined WFAM from Tattersall Advisory Group, where he served in a similar role since 2000. Earlier, he was a fixed income research analyst for Thompson, Siegel & Walmsley, Inc. Eric earned a bachelor's degree in finance from the University of Virginia. He has earned the right to use the Chartered Financial Analyst® (CFA®) designation and is a member of CFA Society Virginia and CFA Institute.



MEHMET CAMURDAN, PH.D., CFA

## Portfolio Manager, Closed-End Fund Strategies

Mehmet Camurdan is a portfolio manager for the Closed-End Fund Strategies team at Allspring Global Investments. He joined Allspring from its predecessor firm, Wells Fargo Asset Management (WFAM). Prior to WFAM, he was with Tattersall Advisory Group. Mehmet earned a bachelor's degree in electrical engineering from the Bogazici University and a Ph.D. in applied mathematics from the University of Virginia. He has earned the right to use the Chartered Financial Analyst® (CFA®) designation and is a member of CFA Society Virginia.



SCOTT ELDRIDGE, CFA

## Portfolio Manager, Closed-End Fund Strategies

Scott Eldridge is a portfolio manager for the Closed-End Fund Strategies team at Allspring Global Investments. He joined Allspring from its predecessor firm, Wells Fargo Asset Management (WFAM). Scott joined WFAM from Invesco PowerShares, where he served as director of fixed income product strategy. Prior to that, he was a director of portfolio management at Caprin Asset Management. Earlier in his career, Scott held positions in credit research, trading, and portfolio management at Tattersall Advisory Group as well as various commercial banking roles at Wachovia Bank. Scott earned a bachelor's degree in business administration with an emphasis in finance and economics from the University of Richmond. He has earned the right to use the Chartered Financial Analyst® (CFA®) designation.



HANNAH KIM

## Research Analyst, Closed-End Fund Strategies

Hannah Kim is a research analyst for the Closed-End Fund Strategies team at Allspring Global Investments. Hannah joined Allspring from its predecessor firm, Wells Fargo Asset Management (WFAM). She originally joined WFAM as part of its Analyst Development Program and continued to grow her career within different areas of the firm. During her tenure, she served as a model risk analyst, senior business systems analyst, and trade compliance analyst. She began her investment industry career in 2011. Hannah earned a bachelor's degree in applied mathematics from the University of California, Los Angeles, and a master's degree in statistics with an emphasis in data science from California State University, East Bay.



# GIPS® composite report

## International Equity MSCI ACWI ex-U.S. CEF Composite

| PERIOD | GROSS ANNUAL RETURN (%) | NET ANNUAL RETURN (%) | PRIMARY INDEX RETURN (%) | COMPOSITE 3 YR STD DEV (%) | PRIMARY INDEX 3 YR STD DEV (%) | INTERNAL DISPERSION (%) | NUMBER OF ACCOUNTS | COMPOSITE ASSETS (\$-MM) | TOTAL FIRM ASSETS (\$-MM) |
|--------|-------------------------|-----------------------|--------------------------|----------------------------|--------------------------------|-------------------------|--------------------|--------------------------|---------------------------|
| 2022   | -22.19                  | -22.86                | -16.00                   | 21.42                      | 19.26                          | 0.32                    | 8                  | 1,919.9                  | 374,321                   |
| 2021   | 8.98                    | 8.07                  | 7.82                     | 18.54                      | 16.79                          | 0.15                    | 8                  | 2,254.6                  | 483,747                   |
| 2020   | 21.32                   | 20.30                 | 10.65                    | 19.67                      | 17.93                          | 0.54                    | 8                  | 2,179.0                  | 508,914                   |
| 2019   | 25.68                   | 24.64                 | 21.51                    | 12.19                      | 11.34                          | 0.25                    | 8                  | 1,590.7                  | 419,579                   |
| 2018   | -13.64                  | -14.38                | -14.20                   | 12.54                      | 11.38                          | 0.05                    | 10                 | 1,748.6                  | 371,582                   |
| 2017   | 36.32                   | 35.20                 | 27.19                    | 12.13                      | 11.87                          | 0.26                    | 10                 | 1,977.6                  | 385,111                   |
| 2016   | 2.56                    | 1.69                  | 4.50                     | 11.97                      | 12.51                          | 0.22                    | 10                 | 1,328.9                  | 330,718                   |
| 2015   | -1.65                   | -2.48                 | -5.66                    | 11.08                      | 12.13                          | 0.40                    | 11                 | 1,524.2                  | 349,342                   |
| 2014   | -0.42                   | -1.26                 | -3.87                    | 12.29                      | 12.81                          | N.A.                    | 10                 | 1,118.3                  | 351,065                   |
| 2013   | 25.42                   | 24.37                 | 15.29                    | 15.91                      | 16.23                          | N.A.                    | 4                  | 591.1                    | 357,113                   |

Primary Index: MSCI All Country World ex-US (Net)

Source: Allspring Global Investments.

1. Allspring Global Investments (Allspring) claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Allspring has been independently verified for the periods January 1, 1997 through December 31, 2022. The verification reports are available upon request. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report.

2. For the purpose of complying with GIPS, the GIPS firm is defined as Allspring. Since the GIPS firm's creation in 1996, the firm has acquired a number of investment teams and/or assets through mergers or acquisitions which include assets and/or investment teams from Wells Capital Management, EverKey Global Partners, Wells Fargo Asset Management (International) Limited, Analytic Investors, LLC, Golden Capital Management, LLC, Wells Fargo Asset Management Luxembourg S.A. and Wells Fargo Funds Management, LLC (WFFM).

3. The International Equity MSCI ACWI ex-U.S. CEF Composite (Composite) includes all discretionary accounts managed in this style. The strategy is a quantitative, model driven approach that is designed to capture the intrinsic value present within the highly inefficient closed-end fund marketplace. The investment team employs a fund of funds methodology to construct and manage a diversified portfolio of between 50-100 international equity closed-end funds representing more than 1,000 underlying companies, in both developed and emerging markets. The portfolio can invest up to 150% of the benchmark weight in emerging markets and no single fund can represent more than 10% of the total portfolio. Investment results are measured versus the MSCI All Country World Index ex-US (Net). The Composite creation date is October 1, 2014. The Composite inception date is October 1, 2009.

4. Composite returns are net of transaction costs and non-reclaimable withholding taxes, if any, are expressed in US dollars, and reflect the reinvestment of dividends and other earnings. Gross Composite returns do not reflect the deduction of investment advisory fees. Net Composite returns are calculated using a model investment advisory fee, which is the maximum annual advisory fee based upon the fee schedule in effect during each respective performance period. Any changes to the fee schedule are reflected in the calculation of the net Composite returns beginning with the period in which the fee schedule is revised. Actual fees may vary depending on, among other things, the applicable fee schedule and portfolio size. The Composite may contain accounts with performance-based fees. Allspring's fee schedules are available upon request and may also be found in Part 2 of Form ADV. The published fee schedule for this strategy is 85 basis points on all assets. The strategy is available via one or more pooled funds, which may have alternate fee schedules. The limited distribution pooled fund is Closed-End International Equity Fund, which has a highest management fee of 0.70% and a highest expense ratio of 0.72%. Additional information regarding Allspring's policies for valuing investments, calculating performance and preparing GIPS Composite Reports is available upon request. A list of composite descriptions, a list of limited distribution pooled fund descriptions, and a list of broad distribution pooled funds are available upon request.

5. Internal dispersion is the equal weighted standard deviation of the annual gross returns of all accounts included in the Composite for the entire year. For years where there are 5 or fewer accounts in the Composite for the entire year, dispersion is not presented as it is not a meaningful statistical calculation. The 3-year annualized standard deviation measures the variability of the gross Composite returns and the index returns over the preceding 36-month time period.

6. Index returns are provided to represent the investment environment existing during the time periods shown and are not covered by the report of independent verifiers. The MSCI All Country World Index ex-US (Net) is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets, excluding the United States. For comparison purposes, the index is fully invested, which includes the reinvestment of income. The returns for the index do not include any transaction costs, management fees or other costs.

7. Actual performance results may differ from Composite returns, depending on the size of the account, investment guidelines and/or restrictions, inception date and other factors. Performance for some accounts in this Composite may be calculated by third-parties that use different security pricing and performance methodologies. Past performance is not indicative of future results. As with any investment vehicle, there is always the potential for gains as well as the possibility of losses. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.





# GIPS® composite report

## U.S. All Cap Equity CEF Composite

| PERIOD    | GROSS ANNUAL RETURN (%) | NET ANNUAL RETURN (%) | PRIMARY INDEX RETURN (%) | COMPOSITE 3 YR STD DEV (%) | PRIMARY INDEX 3 YR STD DEV (%) | INTERNAL DISPERSION (%) | NUMBER OF ACCOUNTS | COMPOSITE ASSETS (\$-MM) | TOTAL FIRM ASSETS (\$-MM) |
|-----------|-------------------------|-----------------------|--------------------------|----------------------------|--------------------------------|-------------------------|--------------------|--------------------------|---------------------------|
| 2022      | -17.85                  | -18.35                | -19.21                   | N.A.                       | N.A.                           | N.A.                    | 3                  | 287.5                    | 374,321                   |
| 2021      | 25.77                   | 25.04                 | 25.66                    | N.A.                       | N.A.                           | N.A.                    | 2                  | 150.2                    | 483,747                   |
| 2020 (IP) | 19.34                   | 19.23                 | 17.21                    | N.A.                       | N.A.                           | N.A.                    | 2                  | 119.5                    | 508,914                   |

Primary Index: Russell 3000 Index

IP=Returns are for the period November 1, 2020 (Inception) through December 31, 2020

Source: Allspring Global Investments

1. Allspring Global Investments (Allspring) claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Allspring has been independently verified for the periods January 1, 1997 through December 31, 2022. The verification reports are available upon request. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report.

2. For the purpose of complying with GIPS, the GIPS firm is defined as Allspring. Since the GIPS firm's creation in 1996, the firm has acquired a number of investment teams and/or assets through mergers or acquisitions which include assets and/or investment teams from Wells Capital Management, EverKey Global Partners, Wells Fargo Asset Management (International) Limited, Analytic Investors, LLC, Golden Capital Management, LLC, Wells Fargo Asset Management Luxembourg S.A. and Wells Fargo Funds Management, LLC (WFFM).

3. The U.S. All Cap Equity CEF Composite (Composite) includes all discretionary accounts managed in this style. The strategy is designed to capture the intrinsic value present within the highly inefficient closed-end fund marketplace. The investment team employs a fund of funds methodology to construct and manage a diversified portfolio of between 15-45 equity closed-end funds representing more than 1,000 underlying companies, with no single fund representing more than 10% of the total portfolio. Each individual fund, in turn, typically owns between 40 and 200 securities. Investment results are measured versus the Russell 3000® Index. The Composite creation and inception date is November 1, 2020.

4. Composite returns are net of transaction costs and non-reclaimable withholding taxes, if any, are expressed in US dollars, and reflect the reinvestment of dividends and other earnings. Gross Composite returns do not reflect the deduction of investment advisory fees. Net Composite returns are calculated using a model investment advisory fee, which is the maximum annual advisory fee based upon the fee schedule in effect during each respective performance period. Any changes to the fee schedule are reflected in the calculation of the net Composite returns beginning with the period in which the fee schedule is revised. Actual fees may vary depending on, among other things, the applicable fee schedule and portfolio size. The Composite may contain accounts with performance-based fees. Allspring's fee schedules are available upon request and may also be found in Part 2 of Form ADV. The published fee schedule for this strategy is 60 basis points on all assets. Additional information regarding Allspring's policies for valuing investments, calculating performance and preparing GIPS Composite Reports is available upon request. A list of composite descriptions, a list of limited distribution pooled fund descriptions, and a list of broad distribution pooled funds are available upon request.

5. Internal dispersion is the equal weighted standard deviation of the annual gross returns of all accounts included in the Composite for the entire year. For years where there are 5 or fewer accounts in the Composite for the entire year, dispersion is not presented as it is not a meaningful statistical calculation. The 3-year annualized standard deviation measures the variability of the gross Composite returns and the index returns over the preceding 36-month time period. The notation "N.A." (not available) will appear for periods, if any, where 36 monthly returns are not available for the Composite and/or the index.

6. Actual performance results may differ from Composite returns, depending on the size of the account, investment guidelines and/or restrictions, inception date and other factors. Performance for some accounts in this Composite may be calculated by third-parties that use different security pricing and performance methodologies. **Past performance is not indicative of future results.** As with any investment vehicle, there is always the potential for gains as well as the possibility of losses. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.



# GIPS® composite report

## Global Equity CEF Composite

| PERIOD    | GROSS ANNUAL RETURN (%) | NET ANNUAL RETURN (%) | PRIMARY INDEX RETURN (%) | COMPOSITE 3 YR STD DEV (%) | PRIMARY INDEX 3 YR STD DEV (%) | INTERNAL DISPERSION (%) | NUMBER OF ACCOUNTS | COMPOSITE ASSETS (\$-MM) | TOTAL FIRM ASSETS (\$-MM) |
|-----------|-------------------------|-----------------------|--------------------------|----------------------------|--------------------------------|-------------------------|--------------------|--------------------------|---------------------------|
| 2022 (IP) | 10.12                   | 9.91                  | 9.76                     | N.A.                       | N.A.                           | N.A.                    | 1                  | 316.8                    | 374,321                   |

Primary Index: MSCI All Country World Index (Net)

IP=Returns are for the period from October 1, 2022 (Inception) through December 31, 2022.

Source: Allspring Global Investments

1. Allspring Global Investments (Allspring) claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Allspring has been independently verified for the periods January 1, 1997 through December 31, 2022. The verification reports are available upon request. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report.

2. For the purpose of complying with GIPS, the GIPS firm is defined as Allspring. Since the GIPS firm's creation in 1996, the firm has acquired a number of investment teams and/or assets through mergers or acquisitions which include assets and/or investment teams from Wells Capital Management, EverKey Global Partners, Wells Fargo Asset Management (International) Limited, Analytic Investors, LLC, Golden Capital Management, LLC, Wells Fargo Asset Management Luxembourg S.A. and Wells Fargo Funds Management, LLC (WFFM).

3. The Global Equity CEF Composite (Composite) includes all discretionary accounts managed in this style. The strategy is a quantitative, model driven approach that is designed to capture the intrinsic value present within the highly inefficient closed-end fund marketplace. The investment team employs a fund of funds methodology to construct and manage a diversified portfolio of between 60-150 global equity closed-end funds representing more than 1,000 underlying companies, in both developed and emerging markets. The portfolio can invest up to 150% of the benchmark weight in emerging markets and no single closed-end fund can represent more than 10% of the total portfolio. Investment results are measured versus the MSCI All Country World Index (Net). The Composite creation and inception date is October 1, 2022.

4. Composite returns are net of transaction costs and non-reclaimable withholding taxes, if any, are expressed in US dollars, and reflect the reinvestment of dividends and other earnings. Gross Composite returns do not reflect the deduction of investment advisory fees. Net Composite returns are calculated using a model investment advisory fee, which is the maximum annual advisory fee based upon the fee schedule in effect during each respective performance period. Any changes to the fee schedule are reflected in the calculation of the net Composite returns beginning with the period in which the fee schedule is revised. Actual fees may vary depending on, among other things, the applicable fee schedule and portfolio size. Allspring's fee schedules are available upon request and may also be found in Part 2 of Form ADV. The published fee schedule for this strategy is 80 basis points on all assets. Additional information regarding Allspring's policies for valuing investments, calculating performance and preparing GIPS Composite Reports is available upon request. A list of composite descriptions, a list of limited distribution pooled fund descriptions, and a list of broad distribution pooled funds are available upon request.

5. Internal dispersion is the equal weighted standard deviation of the annual gross returns of all accounts included in the Composite for the entire year. For years where there are fewer than 5 accounts in the Composite for the entire year, dispersion is not presented as it is not a meaningful statistical calculation. The 3-year annualized standard deviation measures the variability of the gross Composite returns and the index returns over the preceding 36-month time period. The notation "N.A." (not available) will appear for periods, if any, where 36 monthly returns are not available for the Composite and/or the index.

6. Actual performance results may differ from Composite returns, depending on the size of the account, investment guidelines and/or restrictions, inception date and other factors. Performance for some accounts in this Composite may be calculated by third-parties that use different security pricing and performance methodologies. **Past performance is not indicative of future results.** As with any investment vehicle, there is always the potential for gains as well as the possibility of losses. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.



# Disclosure

MSCI makes no express or implied warranties or representations and shall have no liability whatsoever with respect to any MSCI data contained herein. The MSCI data may not be further redistributed or used as a basis for other indices or any securities or financial products. This report is not approved, reviewed, or produced by MSCI.

Unlike an open-end mutual fund, a closed-end fund offers a fixed number of shares for sale. After the initial public offering, shares are bought and sold through broker-dealers in the secondary marketplace, and the market price of the shares is determined by supply and demand, not by net asset value (NAV), and is often lower than the NAV. A closed-end fund is not required to buy its shares back from investors upon request.

Allspring Global Investments™ is the trade name for the asset management firms of Allspring Global Investments Holdings, LLC, a holding company indirectly owned by certain private funds of GTCR LLC and Reverence Capital Partners, L.P. These firms include but are not limited to Allspring Global Investments, LLC, and Allspring Funds Management, LLC. Certain products managed by Allspring entities are distributed by Allspring Funds Distributor, LLC (a broker-dealer and Member FINRA/SIPC).