Allspring

Special U.S. Small Cap Value Equity

QUARTERLY REVIEW

- The Special U.S. Small Cap Value Equity Composite returned 12.06% (11.79% net)* versus the Russell 2000 Value Index's 8.42% during the quarter.
- Security selection in the health care, consumer staples, and financials sectors contributed to relative performance. An underweight in the worst-performing health care sector also added value.
- Security selection in the consumer discretionary sector was the largest detractor from relative performance.

"As active managers, we look to take advantage of the changing interest rate dynamic and the impact it has on a company's financial flexibility."

Market review

After contracting in the third quarter, equity markets rallied for the first two months of the quarter in anticipation of the Federal Reserve (Fed) slowing the pace of interest rate increases. The month of December saw stocks pull back slightly as Fed Chair Jerome Powell indicated that although it was time to slow the pace of coming interest rate hikes, he also signaled a protracted economic adjustment to a world where borrowing costs will remain high and inflation comes down slowly as the U.S. remains chronically short of workers.

Small-cap stocks underperformed large and mid-size companies, but value indexes outperformed their growth peers across all size buckets. The materials and energy sectors were the best performers within the Russell 2000 Value Index, while the health care and communication services sectors were the worst-performing sectors within the index.

Rather than try to predict Fed policy or time when these macro headwinds will subside, we look to invest in companies that can control their destiny via their financial flexibility. Many companies have been forced to take defensive measures as inflation and interest rates have moved higher. While our companies are certainly not immune from these factors, their financial flexibility and competitive advantages allow them to navigate the current environment and be strategic as opportunities arise. The changing interest rate dynamic will continue to affect the economy going forward. Assessing how the rising cost of capital affects a company's financial flexibility is a key part of our process and something that we believe will prove to be a valuable differentiator in today's volatile interest rate environment.

The portfolio outperformed its benchmark and peers for the quarter. Our portfolio construction process is designed to isolate security selection as the primary driver of returns and allow the defensive characteristics of our holdings to protect capital during market drawdowns. We continue to invest in attractive long-term reward/risk opportunities where companies can control their destiny via accretive capital deployment. Our process is designed to win across a complete market cycle. However, the process tends to do best in the middle to late innings of a market cycle when macro headlines begin to lessen their impact and companies with sustainable free cash flow are sought after and can use their financial flexibility to grow long-term shareholder value.

Portfolio performance and attribution

CONTRIBUTORS

- Spectrum Brands Holdings, Inc.
- Atkore Inc.
- Patterson-UTI Energy, Inc.
- Eagle Materials Inc.
- Innospec Inc.

DETRACTORS

- Franklin Electric Co., Inc.
- Mueller Industries, Inc.
- Holley Inc.
- CSW Industrials, Inc.

*Performance is preliminary and subject to change.

Past performance is not a reliable indicator of future results.

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

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- Owens & Minor, Inc.

The holdings identified do not represent all of the securities purchased or sold during the time period shown and should not be construed as a recommendation to purchase or sell a particular security. Information on calculation methodology and a list showing the overall contribution of each holding in the account for the time period shown are available upon request. Representative account information shown.

Security selection in the health care, consumer staples, and financials sectors contributed to relative performance. An underweight in the worst-performing health care sector also added value. In the health care sector, **Azenta, Inc.,** is a provider of life science sample exploration and management solutions for the life sciences market. During the fourth quarter, several positive announcements drove share outperformance. Management reported quarterly results that far exceeded expectations. In addition, the company's guidance for fiscal-year 2023 was also much better than expected. Finally, the company announced a $1.5 billion buyback of shares, which was not only a positive surprise but still leaves the company in a net cash position for potential merger and acquisition deployment. We continue to be shareholders but used the strength to trim the position as reward/risk valuations dictated.

In the consumer staples sector, **Spectrum Brands Holdings, Inc.,** is a leading supplier of specialty pet supplies, lawn and garden and home pest control products, personal insect repellents, shaving and grooming products, personal care products, and small household appliances. Shares outperformed during the quarter as Assa Abloy announced plans to sell its Emtek and Smart Residential Business in the U.S. and Canada to Fortune Brands, which should significantly reduce antitrust concerns and increase the odds that Spectrum's planned sale of its HHI business to Assa Abloy goes through. On September 8, 2021, Spectrum Brands announced an agreement to sell HHI to Assa Abloy for $4.3 billion in cash, subject to customary adjustments. On September 15, 2022, the United States Department of Justice filed a lawsuit to block the closing of the HHI sale and currently a trial is set for April 2023. If the transaction closes, Spectrum will have over $1 billion of excess capital to deploy—nearly half of its market cap.

Security selection in the consumer discretionary sector was the largest detractor from relative performance. Within the consumer discretionary sector, **Holley Inc.** manufactures and designs automotive aftermarket products. The company reported quarterly results in early November that were largely in line with expectations and modestly lowered expectations for earnings before interest, taxes, depreciation, and amortization (EBITDA). We believe this was largely already expected by investors; however, the stock subsequently underperformed with year-end tax loss selling the likely cause as well as uncertainty regarding the ultimate timing and pace of a recovery in Holley's business. We believe the market is overly focused on Holley's near-term challenges, and while not likely to be resolved quickly, the market is failing to recognize the competitive advantages of the Holley business model, as well as the significant cash-generating ability of this asset-light business. We remain confident that over time this will ultimately serve as an excellent buying opportunity for investors with a longer time horizon and that Holley will prove itself to be a uniquely special and differentiated company within the small-cap consumer discretionary universe.

Another detractor at the relative company level is industrial holding **Franklin Electric Co., Inc.** Franklin Electric is a global leader in the production and marketing of systems and components for the movement of water and fuel. Recognized as a technical leader in its products and services, Franklin Electric serves customers around the world in residential, commercial, agricultural, industrial, municipal, and fueling applications. Franklin reported solid earnings for the third quarter. Despite healthy earnings, the company could not keep pace with lower-quality and more economically sensitive companies, which had performed poorly in the prior quarter and strongly advanced in the fourth quarter. Franklin offers investors a unique combination of near-term visibility with the opportunity for capital deployment to further augment the company's future earnings profile, and we believe the shares are very attractively priced on a reward/risk basis.

Outlook

The investment team made minor changes to positioning during the three-month period. The strategy increased its weight in the consumer staples and information technology sectors while reducing its weight in the consumer discretionary and industrials sectors as reward/risk ratios dictated. The strategy's largest overweights versus its benchmark continue to be industrials and materials. The largest underweights are financials and real estate. These weights are driven by our bottom-up reward/risk process as well as our portfolio construction methodology that is designed to isolate active risk to security selection as much as possible.

We expect continued market volatility over the near term as investors digest slowing economic data and higher long-term borrowing costs. Inflation is proving to be stickier as wages and rents materially lag monetary tightening. Decades of margin expansion are at risk of moving in the opposite direction as tax policy, labor challenges, broad inflation, supply chain modifications/on-shoring, and an energy transition all weigh on margin potential. Pricing power at the product/service level is currently (and will remain) a leading indicator of business success. Equity markets have rewarded free-cash-flow margin and growth so EBIT and cash flow from operations margin pressure will need to be offset by pricing power.

As active managers, we look to take advantage of the changing interest rate dynamic and the impact it has on a company's financial flexibility. While some companies will feel the impact from a higher cost of capital and face refinancing risk, we expect our companies to flex their superior balance sheets and be better positioned for the future. Alpha potential from stock selection for active managers will increase as company-specific characteristics and strategic decisions among companies become valuable differentiators under

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this paradigm shift. Our process tends to perform best in the middle and late innings of a cycle as early cyclical beneficiaries give way to companies with sustainable free cash flow and flexible balance sheets. We take comfort in the defensive capabilities of our stock selection process to protect capital as economic headwinds increase, but we also appreciate our company's ability to "play offense" and deploy capital when accretive opportunities present themselves.

We will continue to execute our process to identify and capitalize on the mispricing of stocks. We believe our strong fundamental analysis, risk management, and active investment process are well suited for taking advantage of new opportunities as the equity market evolves. While macro conditions may worsen, the strong balance sheets and stable cash flows of the companies in our portfolio should support consistent long-term performance. We maintain a favorable outlook for the portfolio over the long term.

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Investment performance

INVESTMENT OBJECTIVE

Seeks to deliver long-term capital appreciation by investing primarily in small-capitalization companies with above average capital appreciation potential and below average risk.

BENCHMARK

Russell 2000 Value Index

INCEPTION DATE

October 1, 1993

STRATEGY RISKS

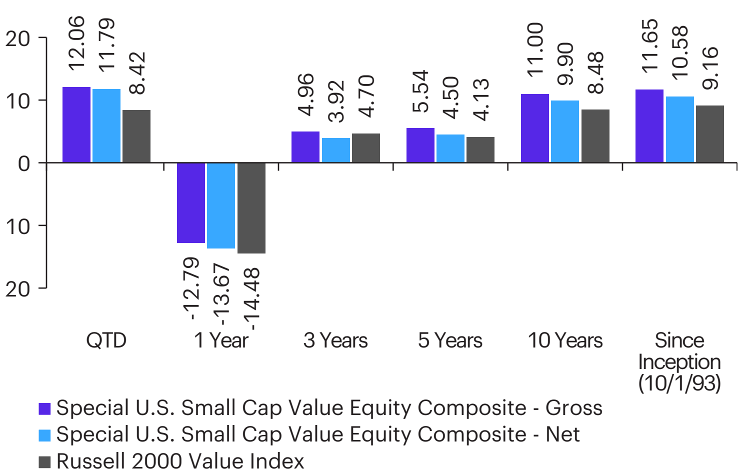
Market risk: Stock values fluctuate in response to the activities of individual companies and general market and economic conditions.

Management risk: Investment decisions, techniques, and analyses implemented by the manager may not lead to expected returns of the team.

Style risk: Style factor exposure including but not limited to, beta, growth, value, liquidity, etc. can perform differently and shift in and out of favor through a market cycle.

Smaller company securities risk: Securities of smaller market capitalization companies tend to have more volatility and less liquidity compared to larger companies.

HISTORICAL RETURNS (%)



Performance is preliminary and subject to change. Performance shown prior to January 1, 2010 represents results achieved by the Special Global Equity Team prior to joining Allspring. Although the composition of the investment team has evolved since the strategy's inception date, the team has managed the strategy in a consistent manner over time.

The GIPS® composite report can be found at the end of this document, including information on net returns. All returns for periods greater than one year are annualized. All returns are in USD unless otherwise stated. Source: Allspring. Benchmark source: FactSet.

Past performance is not a guarantee of future returns.

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GIPS® COMPOSITE REPORT

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)
2021	29.55	28.29	28.27	23.05	25.00	0.39	11	7,691.80	483,747
2020	2.35	1.32	4.63	24.08	26.12	0.72	11	5,594.42	508,914
2019	29.71	28.45	22.39	14.96	15.68	0.37	8	4,553.82	419,579
2018	-12.68	-13.56	-12.86	14.38	15.76	0.20	8	2,979.17	371,582
2017	12.40	11.30	7.84	12.55	13.97	0.20	8	3,284.96	385,111
2016	30.95	29.67	31.74	13.67	15.50	0.50	7	2,592.50	330,718
2015	-3.34	-4.31	-7.47	12.96	13.46	N.A.	6	1,620.18	349,342
2014	8.85	7.78	4.22	12.10	12.79	N.A.	4	931.49	351,065
2013	39.93	38.58	34.52	15.72	15.82	N.A.	4	940.50	357,113
2012	14.94	13.80	18.05	19.85	19.89	N.A.	4	933.03	332,154

Source: Allspring Global Investments. Primary Index = Russell 2000 Value Index

1. Allspring Global Investments (Allspring) (formerly named Wells Fargo Asset Management) 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, 2021. 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. The Special U.S. Small Cap Value Equity Composite has had a performance examination for the periods January 1, 1995 through December 31, 2021. The verification and performance examination reports are available upon request.

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 Special U.S. Small Cap Value Equity Composite (Composite) includes all discretionary accounts managed in this style. Prior to September 30, 2017, the minimum market value for this Composite was $5 million. The Composite is a diversified small cap equity portfolio constructed through a disciplined investment process that combines both traditional and quantitative investment approaches. Portfolios typically hold between 80 to120 stocks with no single company representing more than 5% of the overall portfolio. Individual weightings are determined by expectations for return, risk and transaction cost assumptions. Investment results are measured versus the Russell 2000® Value Index. The Composite creation date is January 1, 2002. The Composite inception date is October 1, 1993.

4. Composite returns are net of transaction costs and, in some cases, 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 1.00% for the first $25mm, 0.90% for the next $25mm, 0.85% for the next $50mm, and 0.80% over $100mm. The strategy is available via one or more pooled funds, which may have alternate fee schedules. The limited distribution pooled fund is Allspring Special Small Cap Value CIT, which has a highest management fee of 0.70% and a highest expense ratio of 0.75%. Additional information regarding Allspring's policies for valuing investments, calculating performance and preparing GIPS Composite Reports is available upon request. The firm's list of broad distribution pooled funds and list and descriptions of the limited distribution pooled funds are also 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. 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. For a complete list of Allspring composite descriptions, please see www.allspringglobal.com/assets/public/pdf/legal/allspring-composite-descriptions.pdf. 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.

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