

# Small Cap Innovation Fund

## OBJECTIVES AND PROCESS

- Seeks long-term capital appreciation
- Invests at least two-thirds of its assets in equity securities of US small-capitalisation companies
- Seeks to identify companies that embrace innovation and foster disruption using technology to maximise efficiencies, gain pricing advantages and take market share from competitors
- Seeks to identify companies with potential for capital growth, improving sales, effective management and a competitive advantage, taking a surround-the-company approach
- Uses a negative screen to exclude securities issued by companies based on their exposure to ESG risks
- May invest:
  - Principally in equity securities of small-capitalisation companies (within the Russell 2000 Index market-cap range at the time of purchase)
  - Up to 15% of total assets in equity securities of non-US issuers, including through ADRs, CDRs, EDRs, GDRs, IDRs and similar depositary receipts
  - By using futures/derivatives for hedging or efficient portfolio management purposes

## Key Risks

- Currency risk**
- Equity Securities risk**
- Global investment risk**
- Geographic concentration risk**
- Smaller-company securities risk**
- ESG risk**
- Leverage risk**
- Sector emphasis risk**

## Calendar-year-performance (%)

**Past performance is not indicative of future results.**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Class I (USD)*	13.43	-38.14	-2.46	—	—	—	—	—	—	—
Russell 2000® Growth Index <sup>1</sup>	18.66	-26.36	2.83	—	—	—	—	—	—	—

## Performance (%)

	Annualized							Since Inception
	1 Month	3 Month	YTD	1Y	3Y	5Y	10Y	
Class I (USD)	2.69	8.40	13.12	23.03	-8.60	—	—	3.39
Russell 2000® Growth Index <sup>1</sup>	1.33	8.41	13.22	27.66	-0.35	—	—	5.95

**Past performance is not indicative of future results.** Performance calculations are net of all applicable fees and are calculated on a NAV-to-NAV basis (with income re-invested). Performance shown is for class and currency indicated and returns may increase/decrease as a result of currency fluctuations. \*Share class inception date Class I (USD) 20 February 2020.

## Fund information

**Fund managers:** Michael Smith, CFA®; Robert Gruendyke, CFA®; Christopher Warner, CFA®; and David Nazaret, CFA®

**Minimum investment (or equivalent value):** \$1,000,000 (USD)

**Fund inception date:** 20 February 2020

**Management approach:** Actively managed

**Asset class:** US Equity

**SFDR:** Article 6<sup>†</sup>

**Financial year-end:** 31 March

**Fund size:** \$10.04m (USD)

**Base currency:** USD

**Benchmark:** Russell 2000 Growth TR USD<sup>1</sup>

<sup>†</sup> While the Sub-Funds listed above have access to both internal and external ESG research and integrate financially material sustainability risks into their investment decision-making processes, ESG-related factors are considered but not determinative, permitting the relevant Sub-Investment Managers to invest in issuers that do not embrace ESG; as such, sustainability risks may have a more material impact on the value of the Sub-Fund's investments in the medium to long term. The investments underlying these Sub-Funds do not take into account the EU criteria for environmentally sustainable economic activities.

Investors should note that, relative to the expectations of the Autorité des Marchés Financiers, this fund presents disproportionate communication on the consideration of non-financial criteria in its investment policy.



# Small Cap Innovation Fund

## Key statistics

	Fund
Alpha	-8.36
Beta	0.97
Sharpe Ratio	-0.52
Standard Deviation	23.31%
R-Squared	0.89
Information Ratio	-1.05
Upside capture	72.37%
Downside capture	104.50%
Tracking Error	7.86%
Correlation coefficient	0.94
Treynor Ratio	-0.13

Based on ending weights as of month-end. Source: Allspring Global Investments.

## Portfolio characteristics

	Fund	Benchmark <sup>1</sup>
EPS growth forecast	20.57%	16.74%
Forward P/E ratio	35.45x	38.85x
Number of equity holdings	79	1120
P/B ratio	5.85x	4.61x
P/S ratio	3.64x	2.28x
Weighted average market cap	US\$7.12bn	US\$4.14bn
Weighted median market cap	US\$6.83bn	US\$3.59bn

Sources: FactSet and Allspring Global Investments.

## Share class information

	Inception Date	Distribution Type	ISIN Code	Bloomberg ID	NAV	Annual mgmt fee	Ongoing charges / TER (%)**
Class I (USD)	20 Feb 2020	Accumulating	LU2065731478	WELSIIU LX	116.63	0.85	0.95

\*\*The ongoing charges/total expense ratio (TER) reflects annual total operating expenses for the class, excludes transaction costs and is expressed as a percentage of net asset value. The figure shown is from current KID. The investment manager has committed to reimburse the Sub-Fund when the ongoing charges exceed the agreed upon TER. Ongoing charges may vary over time.

## Largest holdings (%)

	Fund
Casella Waste Systems, Inc. Class A	2.18
Sterling Infrastructure, Inc.	2.17
RadNet, Inc.	2.16
Parsons Corporation	2.11
CyberArk Software Ltd.	2.07
Modine Manufacturing Company	2.04
AAON, Inc.	2.03
Applied Industrial Technologies, Inc.	1.96
SPS Commerce, Inc.	1.94
Natera, Inc.	1.93

Based on ending weights as of month-end. Source: Allspring Global Investments. The information shown is not intended to be, nor should it be construed to be, a recommendation to buy or sell an individual security.

## Sector weights (%)

	Fund	Benchmark <sup>1</sup>
Industrials	27.81	21.78
Health care	22.56	25.60
Information technology	21.97	19.63
Consumer discretionary	8.25	10.07
Financials	8.18	8.29
Consumer staples	3.69	3.24
Materials	3.57	3.93
Communication services	1.53	2.01
Energy	0.66	3.43

Based on ending weights as of month-end. Source: Allspring Global Investments.

## Holdings market capitalization (%)

	Fund
Mid cap (\$5B-\$25B)	76.86
Small cap (\$500M-\$5B)	23.14

Based on ending weights as of month-end. Source: FactSet.



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## ESG metrics

The data provided is for transparency and informational purposes only. The ESG metrics are not indicative of how or whether ESG factors will be utilised by the fund. The information is based on third party ratings and, unless otherwise stated within a fund's investment objective, do not change a fund's investment objective or constrain the fund's investable universe. For more information regarding a fund's investment strategy, please see the fund's prospectus. Refer to allspringglobal.com for further sustainability disclosures.

### MSCI ESG SCORE

	Fund		Benchmark <sup>1</sup>	
	Value	Coverage	Value	Coverage
MSCI Overall Score	5.6	94%	5.6	99%

Data is sourced from MSCI ESG Research where companies are rated on a scale of 0 – 10 (0 - worst, 10 - best). Weighted average scores exclude effects of unrated securities.

### PRODUCT/ACTIVITY INVOLVEMENT (%)

	Fund	Benchmark <sup>1</sup>
Controversial Weapons	0.00	0.57
Oil Sands	0.00	0.00
Small Arms	0.00	0.10
Thermal Coal	0.00	0.23
Tobacco	0.00	0.08
UN Global Compact non-compliant	0.00	0.00

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### Key Risks

**Currency risk:** currency exchange rates may fluctuate significantly over short periods of time and can be affected unpredictably by intervention (or the failure to intervene) by relevant governments or central banks, or by currency controls or political developments. **Equity Securities risk:** These securities fluctuate in value and price in response to factors impacting the issuer of the security as well as general market, economic and political conditions. **Global investment risk:** securities of certain jurisdictions may experience more rapid and extreme changes in value and may be affected by uncertainties such as international political developments, currency fluctuations and other developments in the laws and regulations of countries in which an investment may be made. **Geographic concentration risk:** investments concentrated in specific geographic regions and markets may be subject to greater volatility due to economic downturns and other factors affecting the specific geographic regions. **Smaller-company securities risk:** securities of companies with smaller market capitalisations tend to be more volatile and less liquid than securities of larger companies. **ESG risk:** applying an ESG screen for security selection may result in lost opportunity in a security or industry resulting in possible underperformance relative to peers. ESG screens are dependent on third-party data and errors in the data may result in the incorrect inclusion or exclusion of a security. **Leverage risk:** the use of certain types of financial derivative instruments may create leverage which may increase share price volatility. **Sector emphasis risk:** investing a substantial portion of assets in related industries or sectors may have greater risks because companies in these sectors may share common characteristics and may react similarly to market developments.

1. The Russell 2000® Growth Index measures the performance of those Russell 2000 companies with higher price/book ratios and higher forecasted growth values. You cannot invest directly in an index. The Fund uses the Russell 2000® Index as a reference for selecting investments and the Russell 2000® Growth Index for performance comparison. The investments of the Sub-Fund may deviate significantly from the components of and their respective weightings in the benchmark.

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### SUSTAINALYTICS ESG RISK SCORE

	Value	Coverage
Fund	25	94%
Benchmark <sup>1</sup>	25	98%

ESG Risk Ratings measure exposure to and management of ESG risks. Lower risk scores reflect less ESG risk. Sustainalytics ESG Risk Scores measure ESG risks on a scale of 0 – 100 (0 - no ESG Risk, >40 - Severe ESG Risk).

### CARBON CHARACTERISTICS

	Fund		Benchmark <sup>1</sup>		% above / below benchmark
	Value	Coverage	Value	Coverage	
Carbon to value invested (metric tons CO2e/\$MM invested)*	22	92%	51	93%	-57%
Weighted average carbon intensity (metric tons CO2e/\$1MM revenues)*	93	92%	103	93%	-9%

\*Carbon emissions includes operational and first-tier supply chain greenhouse gas emissions. Data sourced from S&P Trucost Limited.



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