



Item 1: Cover page

# Allspring Global Investments (UK) Limited

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March 27, 2024

This is the Form ADV, Part 2A ("Brochure") for Allspring Global Investments (UK) Limited ("Allspring UK") as required by the Investment Advisers Act of 1940 ("Advisers Act").

**This Brochure provides information about the qualifications and business practices of Allspring UK. If you have any questions about the contents of this Brochure, please contact us at +44 (0)204-551-7564 or [allspringglobal.com](https://allspringglobal.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or by any state securities authority. Additional information about Allspring UK is also available at the SEC's website, [www.adviserinfo.sec.gov](https://www.adviserinfo.sec.gov).**

Allspring UK is an investment adviser registered with the SEC. Registration as an investment adviser does not imply a certain level of skill or training.



## Item 2: Material changes

This item is intended to address only those material changes that have been incorporated since the last annual update of Allspring Global Investments (UK) Limited's brochure (the "Brochure") dated March 30, 2023. The following items received changes:

- Item 5 (Fees and Compensation) was updated with respect to the process for valuing assets held in the funds and accounts that it manages.
- Item 8 (Methods of analysis, investment strategies and risk of loss) was updated to include additional risk disclosures relating to Data Sources and Third-Party Vendors. Allspring UK also enhanced the disclosure relating to certain risks, including with respect to Environmental, Social and Governance and Liquidity.
- Item 10 (Other Financial Industry Activities and Affiliations) was updated to detail expanded activities of Allspring UK's international affiliates. Allspring UK also updated its relationships with affiliates with respect to the provision and receipt of advisory, distribution and operational support.
- Item 14 (Client referrals and other compensation) was updated to reflect distribution support relationships with Allspring UK's affiliates.



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## Item 4: Investment advisory and discretionary portfolio management business

### Firm overview

Allspring UK was incorporated in England & Wales (registered no 3710963) in 1999 and is authorized and regulated by the United Kingdom's ("UK") Financial Conduct Authority ("FCA") as well as being an SEC registered Investment Adviser since September 2004. Allspring UK is a direct wholly-owned subsidiary of Allspring Global Investments Holdings, LLC ("Allspring Global Investments Holdings"), a holding company indirectly owned by Allspring Group Holdings, LLC ("Allspring Group Holdings"). Allspring Group Holdings is owned by certain private funds managed by GTCR LLC ("GTCR") and Reverence Capital Partners, L.P. ("Reverence Capital Partners"), as well as certain others described below.

Certain employees of the Allspring Global Investments<sup>1</sup> group of companies (collectively, "Allspring") indirectly own non-voting equity interests in Allspring Group Holdings, the indirect parent of Allspring UK and the other Allspring Global Investments Holdings' group of companies. Such Allspring employees collectively hold less than 25% of the fully diluted equity interests of Allspring Group Holdings. In addition, Wells Fargo & Company ("Wells Fargo") owns a passive non-voting equity interest of less than 9.9% of the fully diluted equity interests of Allspring Group Holdings, through an indirect wholly-owned subsidiary known as Wells Fargo Central Pacific Holdings, Inc.

Founded in 1980, GTCR is a leading private equity firm that pioneered The Leaders Strategy™—finding and partnering with management leaders in core domains to identify, acquire and build market-leading companies through organic growth and strategic acquisitions. GTCR is focused on investing in transformative growth in companies in the Business & Consumer Services, Financial Services & Technology, Healthcare and Technology, Media & Telecommunications sectors. Since its inception, GTCR has invested more than \$25 billion in over 270 companies, and the firm currently manages more than \$35 billion in equity capital. GTCR is based in Chicago with offices in New York and West Palm Beach.

Reverence Capital Partners is a private investment firm focused on two complementary and synergistic strategies: (i) financial services-focused private equity and (ii) opportunistic, structured credit. In financial services, Reverence Capital Partners is a thematic investor in leading global, middle-market businesses through control and influence-oriented investments in five sectors: (1) Depositories and Non-Bank Finance Companies, (2) Asset and Wealth Management, (3) Insurance, (4) Capital Markets and (5) Financial Technology/Payments and Services. The firm was founded in 2013 by Milton Berlinski, Peter Aberg, and Alex Chulack, who collectively bring over 100 years of advisory and investing experience across a wide range of financial services sectors.

Prior to November 1, 2021, Allspring was indirectly, wholly-owned by Wells Fargo. Given the large scale and complexity of the divestiture of Allspring from Wells Fargo to new ownership, some technology infrastructure, operational processes and Allspring employees have temporarily remained at Wells Fargo to manage critical processes and systems that transition over time, under a Transition Services Agreement ("TSA") between Allspring and Wells Fargo. Additionally, Wells Fargo continues to serve as an important client and, subject to applicable

<sup>1</sup> Allspring Global Investments is the trade name for the asset management companies of Allspring Global Investments Holdings, LLC, that includes Allspring UK, Allspring Global Investments, LLC ("Allspring Investments"), Allspring Funds Management, LLC ("Allspring Funds Management"), Allspring Funds Distributor, LLC ("Allspring Funds Distributor"), Allspring Global Investments (Singapore) Pte. Ltd. ("Allspring Singapore"), Allspring Global Investments (Hong Kong) Limited ("Allspring Hong Kong"), Allspring Global Investments (Japan) Limited ("Allspring Japan"); and Allspring Global Investments Luxembourg S.A ("Allspring Luxembourg"). Associated with Allspring, but not part of the Allspring trade name/GIPS firm, is Galliard Capital Management, LLC, which is a direct wholly-owned subsidiary of Allspring Global Investments Holdings.



fiduciary duties and other considerations, remains an important distribution partner with respect to Allspring's products in a manner similar to their role prior to the divestiture.

## Types of investment advisory and discretionary portfolio management services

Allspring UK provides investment advisory and portfolio management services to mutual funds, private funds, offshore funds, other pooled vehicles and client accounts. Allspring UK's clients include institutional clients such as corporations, endowments, foundations, pension plans, healthcare organizations, educational organizations, public agencies, multi-employer plans, sovereign organizations, insurance companies, government/public authorities, investments funds and banks.

Allspring UK's investment management services are offered on a discretionary and non-discretionary basis. When performing portfolio management services on a discretionary basis, the client relies on Allspring UK to formulate and, in most cases, to implement the investment decisions consistent with parameters and information that the client provides in advance. Allspring UK will tailor its portfolio management services to the individual needs of its clients, including by incorporating client specific restrictions, as necessary. However, Allspring UK will not accommodate investment restrictions that are unduly burdensome, including any requested restrictions on underlying securities held in a fund/commingled vehicle in which the client invests. Allspring UK reserves the right to decline, accept, or terminate client accounts with such restrictions. Investment restrictions requested by a client might cause the performance of its account to differ from that of the portfolio recommended by Allspring UK, possibly producing less favorable overall results. Clients specify their investment objectives as well as any guidelines or restrictions in the advisory or investment management agreement, as appropriate, depending on the type of services being provided to the client by Allspring UK.

Where Allspring UK is an investment adviser, including on a sub-advisory basis, to a pooled investment vehicle (e.g., mutual fund or private fund), investments will not be tailored to the individualized needs of any particular investor in the pooled investment vehicle. Investors may not impose restrictions on investing in certain securities or certain types of securities but rather will be subject to the investment guidelines as described in the vehicle's prospectus or other offering document. Allspring UK utilizes proprietary and vended investment allocation systems in conjunction with the securities selection services provided by its portfolio managers to create and maintain actively managed investment portfolios intended to meet the requirements of its clients' investment needs.

In addition, the scope of services is determined by client agreement and regulation, and would typically include:

- Appropriate asset allocation;
- Portfolio management designed to achieve investment objectives within particular asset classes;
- Client reporting of portfolio valuation, asset classes, investment strategies and performance relative to appropriate benchmarks; and
- Periodic review of investment objectives, guidelines, restrictions, and strategies.

Allspring UK provides discretionary portfolio management services in respect of a range of strategies, including:

- Currency Alpha
- Corporate Bonds
- Asset Backed securities
- High Yield Bonds
- Financials



- Loans and mezzanine finance
- Emerging Markets
- Global Bond (Hedged)
- Global Equity Enhanced Income
- Global Fixed Income Long Duration
- Global Bond Opportunity
- Global Sovereign Bonds
- Global Fixed Income Ultra Short
- Portable Alpha
- Alternative Risk Premia
- Bespoke multi-asset solutions to client specifications

The selection of securities and the construction of a portfolio will reflect the client's investment guidelines. Where appropriate this will include hedging of currency and interest rate risk.

Allspring UK's investment strategies are designed to provide prudent diversification across a wide range of markets and securities in an effort to achieve a higher probability of increased return with lower volatility.

Fixed income securities and currencies are treated as separate asset classes and derivatives are used in accordance with client guidelines to prudently hedge into the client's reporting currency to protect against a loss of stated value. This is a specialized approach to diversification for the abatement of risk and relative improvement of return.

Where Allspring UK acts as a discretionary investment manager it makes all investment decisions as it deems appropriate, and without prior consultation with the client. It may buy, sell, exchange, convert and otherwise trade in any stocks, bonds, derivatives, currency or other securities and financial instruments, subject to any written investment guideline the client may provide and applicable law. In some cases, and always in the client's best interest, Allspring UK may make investment decisions for a client related to particular securities that are different than the decisions it makes for other clients concerning the same or related securities.

Additional information concerning Allspring UK's discretionary authority is provided in Item 16 below. Notwithstanding the above, Allspring UK may provide non-discretionary or recommendation services to clients who maintain discretionary authority under specified conditions.

Allspring UK is not a broker dealer and does not sponsor wrap fee programs nor does it maintain direct contractual relationships with wrap sponsors. Instead, Allspring UK may contract with registered investment advisors, including Allspring Investments, for the purpose of offering sub-advisory services. In providing these sub-advisory services, Allspring UK makes assurances that it has executed valid sub-advisory contracts that require its client, the contracting advisor to: (i) retain responsibility for communicating any securities recommendations subject to client constraints, (ii) provide the necessary administrative and client support services, and (iii) provide any marketing support. Allspring UK also makes reasonable inquiry and obtains assurances that its client, the registered investment advisor, either provides the necessary Form ADV to clients itself or that it validates the sponsor's undertaking of such action.



## Current assets under management

As of December 31, 2023, Allspring UK had approximately US\$8,335,136,854 in regulatory assets under management on a discretionary basis.



## Item 5: Fees and compensation

Allspring UK charges an investment management fee based upon a percentage of the market value of a client's assets under management (such a fee is referred to as an "asset-based fee"). Allspring UK also receives performance-based fees with respect to certain strategies or as otherwise agreed on with a particular client. For additional information related to the performance-based fees Allspring UK receives, refer to Item 6 – Performance-based fees and side-by-side management.

### Additional account level and investment level fees

In addition to the investment advisory fees paid to Allspring UK, clients may pay other fees and expenses in connection with Allspring UK's management of their account. These additional fees and expenses are incurred at the account-level and/or the investment-level.

#### Account-level fees

If clients establish a discretionary account directly with Allspring UK, the most common fees and expenses are: brokerage commissions (if applicable depending on type of securities) and transaction charges associated with buying and selling securities; custody fees the client pays directly to the broker-dealer or bank that holds (a.k.a., "custodies") the assets; and other transactional fees (e.g., interest on margin balances, wire fees).

Allspring UK does not receive any of these non-advisory account level service fees (e.g., brokerage commissions and other transaction charges, custodial fees, transfer taxes or sales loads or similar charges). In addition, in certain instances affiliates of Allspring UK may receive these non-advisory account level service fees in connection with the advisory or portfolio management services Allspring UK provides to its clients. For additional information related to Allspring UK's brokerage practices, refer to Item 12.

#### Investment-level fees

Different investments have different costs to buy, sell and hold. For example, client accounts invested in mutual funds, money market funds, exchange-traded funds, private funds, or similar securities, will also bear their proportionate share of investment-level fees paid at the fund level. These costs are described in product-specific materials or offering documents such as prospectuses, which are available from Allspring UK.

### Two-levels of fees related to investments in affiliated funds

When a client account invests in a fund sponsored, advised, sub-advised or otherwise serviced by an Allspring company (i.e., an affiliated fund), Allspring UK and/or its affiliates will receive fees that are paid at the fund-level. As a result, clients pay Allspring UK and its affiliate's two levels of fees on the portion of a client's account invested in affiliated funds. The receipt of two levels of fees creates an incentive for Allspring UK to select and retain affiliated funds, rather than unaffiliated funds, for its clients. Allspring UK generally does not receive advisory fees from both the client's separate account and the affiliate fund in which the separate account is invested. Allspring UK will exclude the portion of a client's account invested in affiliated funds when calculating Allspring UK's account-level advisory fee or otherwise offset the account-level advisory fee by the advisory fees paid at the affiliated fund level. Such rebate or reduction will not eliminate the conflict and Allspring UK nevertheless has a financial incentive to favor affiliated fund investments (for example, to increase the assets under management of, or otherwise provide support to certain funds, products or lines of business). In limited instances, and where permitted and agreed upon with the client, Allspring UK will receive advisory fees from both the client's separate account and the affiliated fund in which the separate account is invested.





## Other compensation

Certain mutual funds, private funds and other investments are sponsored by companies that pass through a portion of their revenue to Allspring UK in connection with its provision of advisory or sub-advisory services, creating an incentive for Allspring UK to select these investments over similar investments that do not generate revenue share for Allspring. In addition, certain funds or share classes of a fund charge administrative, service or sub-transfer agency fees that are passed through to Allspring UK or its affiliates, creating an incentive to select those funds or share classes over other funds or share classes that do not charge such fees. This creates a conflict of interest. Allspring UK has adopted policies and procedures that are reasonably designed to ensure that all accounts are treated fairly and equitably to prevent this potential conflict from influencing the allocation of investment opportunities among clients.

Clients should consider all of the foregoing additional compensation to Allspring when evaluating the advisory fees that are paid to Allspring UK in connection with their advisory account(s).

## Institutional account advisory fees

The basic fee schedules for Allspring UK's institutional separate account clients are set out below and can be negotiated between the client and Allspring UK when circumstances warrant (e.g. large accounts size or accounts requiring special services). The fee schedules for pooled investment vehicles are found in each pooled vehicle's offering document. Fees may be higher or lower than the standard fee schedule. Allspring UK generally agrees to charge clients fees for advisory services that are lower than those set forth below. In certain circumstances in which Allspring UK or its affiliates provide customized investment advisory services a higher fee may apply. Variations in fees charged to clients can occur as a result of numerous factors, including negotiations and/or discussions that could include the particular circumstances of the investor, account size, account servicing requirements, the size and scope of the overall relationship with Allspring UK and its affiliates or certain consultants, or as otherwise agreed with specific clients on a case-by-case basis.

The minimum annual fee and minimum account size is noted below for each strategy. The minimum account size varies by investment style and asset class and may be negotiated or waived by Allspring UK. There are no start-up or closing fees payable to Allspring UK or its affiliates. Allspring UK generally bills in arrears and any partial periods are prorated over the billing cycle. Allspring UK typically sends an invoice to clients within 45 days after quarter end for quarterly invoiced accounts and within 30 days following month end for monthly invoiced accounts or another frequency as otherwise agreed with the client. Direct deductions from client accounts occur where the client instructs its custodian accordingly. In limited circumstances, clients pay their advisory fees in advance. In such cases, Allspring UK will refund any prepaid, unearned advisory fees to the client upon termination of the client's account. Investment Management and Advisory agreements are subject to termination by Allspring UK or a client in accordance with their terms.

The below fee schedule represents tiered fees and not weighted averages for the total amount of assets under management. Fees are calculated on the net market value of the client's account unless Allspring UK and the client agree to base the fee on the account's gross value (i.e., the value of the account before deducting the value of assets sold short or borrowed on margin).

Additional information relating to any requirements for opening or maintaining an account, such as a minimum account size can be found in Item 7 – Types of clients.



INVESTMENT TEAM	STRATEGY	BASIC FEE SCHEDULE	MIN ANNUAL FEE	MIN ACCOUNT SIZE
Global Fixed Income	Climate Transition Global Investment Grade Credit	First \$100m at 0.24% Next \$100m at 0.21% Next \$100m at 0.18% Over \$300m at 0.15%	\$120,000	\$50m
	Global Investment Grade Credit	First \$50m at 0.30% Next \$50m at 0.25% Next \$200m at 0.20% Over \$300m at 0.15%	\$400,000	\$50m
	Global Bond Hedged	First \$50m at 0.30% Next \$150m at 0.25% Over \$200m at 0.20%	\$400,000	\$20m
	EUR Short Duration Credit	First €100m at 0.21% Next €100m at 0.19% Next €100m at 0.17% Over €300m at 0.15%	€105,000	€50m
	EUR Investment Grade Credit	First \$100m at 0.21% Next \$100m at 0.19% Next \$100m at 0.17% Over \$300m at 0.15%	\$105,000	\$50m
Plus Fixed Income	European Loans	First €50m at 0.41% Next €50m at 0.37% Next €50m at 0.33% Over €50m at 0.30%	€205,000	€50m
	European Loans Buy-and-Maintain	First €100m at 0.41% Next €100m at 0.37% Next €100m at 0.33% Over €300m at 0.30%	€205,000	€50m
	European Senior Secured Credit	First €100m at 0.41% Next €100m at 0.37% Next €100m at 0.33% Over €300m at 0.30%	€205,000	€50m
Systematic Edge – Multi-Asset	Alternative Risk Premia	First \$25m at 0.55% Next \$75m at 0.50% Over \$100m at 0.45%	\$512,500	\$100m
	Global Equity Enhanced Income	First \$25m at 0.80% Next \$25m at 0.75% Over \$50m at 0.65%	\$160,000	\$20m
	Bespoke multi-asset solutions to client specifications	As negotiated		



## Other considerations

The above section describes Allspring Investments' basic fee schedules for separately managed institutional client accounts; however, as mentioned earlier in the Brochure, fees are negotiable and arrangements with any particular client could vary from the fees specified above.

**Special circumstances—offshore clients:** Allspring UK also manages accounts where the client or the client's account are based outside the US. When considering the administrative costs associated with such accounts, Allspring UK may negotiate fees that are higher than the fees specified above where the market and service plan dictate doing so.

**Sub-advisory fees:** In connection with the investment advisory services Allspring UK provides, Allspring UK engages affiliated investment advisers (each an affiliated "Sub-adviser") at times to implement investment recommendations. In accordance with its agreement with each affiliated Sub-adviser, Allspring UK pays a portion of the advisory fees that it receives to the Sub-adviser for its sub-advisory services and retains the remainder as revenue. Allspring UK has an incentive to select affiliated Sub-advisers over unaffiliated Sub-advisers because a greater portion of the fees remain within the Allspring family of companies than if Allspring UK used a third party to provide these services. For additional information concerning these conflicts of interest and how they are addressed, refer to Item 10 – Other Financial Industry Activities and Affiliations.

Allspring UK's affiliated adviser, Allspring Funds Management may price portfolio investments, or provide valuation assistance to our clients in accordance with Allspring's global valuation policy. Generally, if a market quotation for a portfolio investment is readily available, that investment is valued at its market value. If a market quotation is not readily available, then the portfolio investment is fair valued in good faith. When fair valuing portfolio investments, Allspring Funds Management generally relies on independent pricing sources to obtain fair and objective prices. However, in cases where a portfolio investment is not priced by an independent pricing source or the price is otherwise determined by Allspring Funds Management to not be reliable, a conflict of interest exists as Allspring Funds Management is incentivized to apply a higher valuation in order to generate higher management fees for Allspring UK.

Additional information relating to potential conflicts of interest can be found in Item 6 - Performance-based fees and side-by-side management, Item 11- Code of ethics, participation or interest in client transactions and personal trading, and Item 12 - Brokerage practices within this Brochure.



## Item 6: Performance-based fees and side-by-side management

Allspring UK receives performance-based fees from some of its client accounts. Because Allspring UK manages accounts that charge performance-based fees and other accounts that do not, there is an incentive for Allspring UK to favor those accounts that charge a performance-based fee over those accounts that charge an asset-based fee. For example, Allspring UK could be in a position to earn more in investment advisory fee revenue if it were to allocate more profitable trading opportunities to its performance-based fee accounts rather than its asset-based fee accounts. Similarly, portfolio managers would have an incentive to favor accounts that charge performance-based fees over other accounts that do not if a portfolio manager can increase their compensation by making recommendations or decisions that generate more advisory fee revenue for Allspring UK.

Allspring UK has adopted policies and procedures that are reasonably designed to ensure that all accounts are treated fairly and equitably to prevent this potential conflict from influencing the allocation of investment opportunities among clients. Such policies and procedures prohibit any trade allocation practice whereby any particular account or group of accounts receive more favorable treatment than other client accounts. Allspring UK manages accounts (pursuing the same investment strategy) in a similar manner, with similar investments and similar allocations whenever possible, consistent with individual client guidelines and requirements. In addition, the compensation of Allspring UK's portfolio managers is designed to avoid creating an incentive to favor accounts that pay a performance-based fee over accounts that do not.

Some of the performance fee methods of calculation include the following:

- Performance fee computations based on annual achieved returns of the client's portfolio against the designated benchmark.
- Performance fee equaling a percentage of the performance of the client's portfolio in excess of a designated benchmark.
- A base fee on all balances in the client's portfolio plus a percentage of incremental outperformance (performance of the client's portfolio in excess of the designated benchmark).



## Item 7: Types of clients

Allspring UK is authorized to provide services to a diverse group of clients including, but not limited to, the following:

- Institutional clients, corporations, investment advisers, banks and other business entities
- Public funds
- Retirement plans
- Foundations, endowments, trusts and estates
- Mutual funds, CITS, private funds and other pooled vehicles (including UK and European Undertakings for the Collective Investment in Transferable Securities (“UCITS”), Alternative Investment Funds (“AIFs”), etc.)
- Governmental plans, pension funds and unions, including local authorities
- Health services organizations
- Insurance organizations
- Charitable organizations and non-profit entities
- Sovereign wealth funds/central banks

Allspring UK does not deal directly with retail clients.

Allspring UK has established minimum account requirements for certain accounts. The minimum account size for each strategy is noted in the chart included in Item 5 – Fees and Compensation. The minimum account requirements, which vary by investment style and asset class, may be negotiated with the client, or waived by Allspring UK.

## Client account AML & privacy

To help the government fight the funding of terrorism and money laundering activities, federal law requires certain financial institutions to obtain, verify, and record information that identifies each client who opens an account or establishes a relationship. Accordingly, when Allspring UK establishes a relationship with a client, when appropriate, it asks for the client’s name, address, and other information or documentation that will allow Allspring UK to identify and verify the client and the source of client funds that are being invested.

Allspring has adopted policies regarding the collection, use, disclosure and destruction of personal information about Allspring’s clients. Consistent with privacy policies and applicable laws, Allspring and its affiliates may share client information with affiliated and third-party service providers throughout the world to the extent necessary and on a need-to-know basis. Allspring’s third-party service providers are subject to security and confidentiality obligations and are only permitted to process client information for a specified, legitimate business purpose and in accordance with our instructions. Allspring has implemented appropriate physical, technical, organizational, and security measures to prevent client information from unauthorized access and from being accidentally lost, altered, or misused. Additionally, Allspring has put in place procedures to deal with any suspected data security breach and will notify clients and any applicable regulator of a suspected breach where it is legally required to do so. For additional information on how Allspring may process client information, please see our privacy notices at [allspringglobal.com](https://allspringglobal.com).



## Item 8: Methods of analysis, investment strategies and risk of loss

Allspring UK's investment methods include quantitative, qualitative, and cyclical analyses using Allspring UK's proprietary and vended systems, databases, trading systems, and third-party data reporting. Allspring UK also uses a wide variety of publicly available market and economic factors to make asset allocation and investment decisions. This information comes from many different sources including financial newspapers, magazines and journals, economic and market databases, research materials prepared by others, on-line services, press releases, third-party services, and publicly available filings with governmental and regulatory agencies.

Allspring UK also provides non-discretionary services. For certain strategies, Allspring UK employs models that utilize a quantitative (a system of analysis using complex mathematical and statistical modeling, measurement and research) investment approach where investment recommendations are model-driven through a proprietary system. The quantitative models assess companies with regard to, among other things, valuation, earnings, and quality; and that assessment is translated into rankings/scores that identify companies as relatively more or less attractive than others. For certain strategies, client accounts are quantitatively (as defined above) managed independent of one another in accordance with specific client mandates, restrictions, and instructions. Given specific constraints of an individual client account and the trade cycle and rotation of trading client accounts, instances arise when one or more client accounts hold a long position in a specific security, while one or more client accounts hold a short position in the same security. These instances also arise when considering benchmark-relative investment mandates and the level at which individual client accounts hold a significant overweight or underweight position in an individual security.

### Global Fixed Income: methods of analysis & investment strategies

#### Global sovereign, aggregate and emerging markets

For global sovereign, aggregate and emerging markets strategies, the Global Fixed Income ("GFI") team looks to deliver attractive risk-adjusted returns by investing in bond and currency markets across the world. The team's collaborative investment process is designed to uncover and exploit relative value in bond, currency, sector, and duration. It melds research and investor judgement with rigorous bottom-up security selection and puts client objectives at the heart of all investment decisions. The team prides itself on a process that is consistent and scalable, and that allows strategies to be highly customized to individual client needs.

Team convictions, research insights, and investment guidelines are synthesized into a template for each strategy. The process to identify and quantify relative value in global markets is multi-faceted, bringing together research insights from several sources. Fundamental, quantitative, and technical tools – including possible adjustments from Environmental, Social, and Governance ("ESG") analysis – all have their place in the process but final decisions rest solely with the GFI team. Portfolios are team-managed for a consistently applied process and there is a strong culture of risk control.

GFI's portfolio managers monitor that the securities are liquid and actively traded in each of these markets and select those securities that comply with the agreed strategy, pass the required client guidelines and credit tests and offer good value.

GFI may also use a wide variety of publicly available market, economic and ESG information factors to make asset allocation and investment decisions. This information may come from many different sources, including financial newspapers, magazines and journals, research materials prepared by others, proprietary processes, on-line services, press releases, third-party services, and publicly available filings with governmental and regulatory agencies.



Examples of some of the sources of information used by GFI include:

- Allspring Investments IDC prices database for daily (third-party) bond and currency prices
- Fundamental economic data for each country within the investable universe
- Benchmark and investable universe data, including various index providers
- Consensus Economic Forecast
- Economist Intelligence Unit and numerous leading market economists
- Observatory Group
- PRS, Moody's, S&P, Fitch, and Credit Science
- PRS Group
- World Bank
- United Nations
- World Resources Institute
- Economist Intelligence Unit
- World Energy Council
- Yale Center
- European Commission: EDGAR
- Notre Dame ND-GAIN
- Reporters Without Borders
- Transparency international

The GFI team use a number of tools and drivers to assess the economic background for investment opportunities across all strategies including asset allocation based on the following:

- Fundamental economic forecasts with the team's asset risk profiles
- Quantitative analysis and modeling
- Strategy guidelines
- Client guidelines
- Risk guidelines to achieve the best fit optimum portfolio
- Trading strategies based on potential relative value opportunities between asset classes and sectors
- Foreign currency and forward FX transactions for hedging or modifying currency exchange exposure

### Global investment grade credit

For global investment grade credit strategies, the team's philosophy is that well underwritten yield enhancement will drive consistent long-term total returns. The specialized credit portfolio managers seek stable to improving credits with competitive yield profiles. The strategy focuses on security selection to provide superior risk-adjusted returns. The emphasis is on investment grade corporate bonds that provide a combination of appropriate liquidity and acceptable risk. Individual security selection is driven by in depth, bottom-up fundamental analysis. We believe this is the cornerstone of risk management and lays the foundation for competitive risk adjusted income streams and total return.



Portfolios are constructed by pulling-together intelligence gathered from:

- A monthly firm-wide macro strategy review held to discuss the global economic outlook, macro sector themes, interest rate outlook, key rate durations, and curve strategy.
- Daily credit calls, monthly industry updates and a quarterly sector review organized by the research team: where discussion points include new issue markets, earnings updates, credit recommendations, mergers & acquisitions, event risk, sector themes, credit curves, and market liquidity.

## Security selection

Team credit portfolio managers are responsible for portfolio security selection. This is the primary focus of the strategy and is a key part of the investment process. Security selection is done in close partnership and collaboration with the Global Fixed Income Research team. Individual security selection is supported by in depth, bottom-up fundamental analysis including a full ESG and climate analysis. Security selection has historically been the team's primary driver of alpha.

## Sector, country, maturity band and rating allocation

Sector, country, maturity band and rating allocation weightings are explicitly discussed as part of the top-down process. These allocations are formally reviewed and adjusted at the monthly strategy meeting and on an ad-hoc basis if required by market events. They are informed by the team's global macro-outlook, sovereign reviews, identified sector themes as well as market valuations and the prevailing technical picture.

## Duration & curve positioning

Yield curve analysis is an additional tool utilized to enhance performance. This entails an on-going assessment of the macro-economic factors, which influence the term structure of rates. Securities are positioned along the yield curve to maximize this view while at the same time balancing the cash flow characteristics of any company-specific liabilities. Duration and curve positioning may be adjusted using futures to fine tune interest rate views.

## Risk management

Risk management is embedded in every step of the investment process, from portfolio strategy and construction, credit research and surveillance, portfolio level monitoring, to trade execution and compliance. Given the security selection driven investment process, credit risk management is critical. The Global Fixed Income Research team provides continuous monitoring and surveillance of all owned portfolio positions. This is instrumental due to the asymmetric risk profile of poor performing credits. Additionally, the risk management process is bolstered by Allspring UK's independent Investment Analytics team. The team does not make portfolio decisions, but highlights risk exposures and ensures that portfolio risks are purposeful and true to the investment style.

## Plus Fixed Income: Methods of analysis & investment strategies

The team's investment philosophy is based on a fundamental approach to managing credit risk, underpinned by disciplined and responsible investing. The team strongly believes the single most important investment tool in understanding the long-term value of companies in the loan market is thorough vigilant bottom-up credit analysis. Supplementary to this fundamental driver of performance, additional value is drawn from a top-down strategic view on countries, industries and ratings as well as the credit and macro-economic cycle.





The investment process used by the team consists of 5 components:

### Top-down view

The team's top-down view is driven by the Investment Strategy team. The Investment Strategy team meets formally on a monthly basis with interim ad hoc meetings at short notice depending on market developments. The Investment Strategy team is comprised of senior investment professionals drawn from the Allspring UK portfolio management and research team.

### Bottom-up credit research

The portfolio management team works with the Global Fixed Income Research platform to provide insight and analysis for a wide range of global issuers. The platform's philosophy is that deep, fundamental understanding of sectors, industries, corporations, and strategies enables the team to take advantage of market opportunities, inefficiencies and dislocations to drive investment performance and alpha generation. The process and culture of this group encourages an active environment of communication, idea sharing, and collaboration across Allspring's global platform.

Analysis of ESG considerations and sustainability factors is fully integrated into the credit research process. It is crucial to better risk management as it can capture important issues that may be overlooked or undervalued by other market participants.

### Portfolio construction

Once finalized, the analyst's credit analysis is submitted for discussion and approval to the Credit Committee. This Committee is made up of all members of the portfolio management team, plus the relevant credit research analyst. The Committee's members have the right of veto of a credit and approvals are unanimous.

The Credit Committee can also be convened on an ad-hoc basis whenever appropriate, for instance, to discuss an investment opportunity in the secondary market or specific corporate news flow.

### Investment decisions and trading

Investment decisions, made on a discretionary basis, to invest or de-invest in securities in respect of a client's portfolio or fund, including bonds and syndicated loans, are made by the portfolio management team who also have responsibility for arranging the execution of trades with third party brokers or execution venues.

### Risk management

Risk management is embedded in every step of the investment process, from portfolio strategy and construction, credit research and surveillance, portfolio level monitoring, to trade execution and compliance. Given the security selection driven investment process, credit risk management is critical. The Global Fixed Income Research team provides continuous monitoring and surveillance of all owned portfolio positions. This is instrumental due to the asymmetric risk profile of poor performing credits. Additionally, the risk management process is bolstered by Allspring UK's independent Investment Analytics team. The team does not make portfolio decisions, but highlights risk exposures and ensures that portfolio risks are purposeful and true to the investment style.

### Systematic Edge – Multi-Asset: Methods of analysis & investment strategies

The Systematic Edge – Multi-Asset team utilize a variety of tools, solutions and processes including:

- Proprietary models to build risk premia portfolios that target specific client outcomes



- A unified research process to drive a consistent approach, ensuring that solutions are relevant and efficient
- Proprietary live tools to help the Systematic Edge – Multi-Asset team risk-monitor and manage client portfolios
- Insight into what drives asset prices and the multi-dimensional risks associated with those drivers
- In-depth understanding of investor objectives allowing Systematic Edge – Multi-Asset portfolio managers to know what they are trying to achieve for their clients, and by what constraints they are bound
- Identifying the prevailing economic environment and adapting portfolios accordingly through tactical asset allocation (TAA). A tactical asset allocation process is designed to exploit idiosyncratic risks in the market by implementing mainly market neutral strategies uncorrelated to market beta. The aim is to provide additional alpha and diversification in order to improve the overall portfolio risk and return profile.
- Tools for monitoring and managing risk that can facilitate dynamic risk management

The team's investment philosophy places investor outcomes as the foundation upon which Allspring UK multi-asset solutions are designed and implemented. The outcomes are resilient across economic conditions as we employ internal substantial expertise to find and exploit opportunities available within investment markets and add value by skillful implementation

- **Investor outcome:** Put simply, investment portfolios should be designed based on the investor's objectives. We define risk as the probability of not achieving those objectives. Allspring UK prides itself in its attentive, collaborative client relationships.
- **Economic drivers:** Portfolios should be robust across economic cycles with a balanced exposure to growth, inflation and interest rates. We use balanced portfolio construction techniques that provide greater diversification to macroeconomic drivers than simple asset allocation strategies.
- **Factors:** Markets are not completely efficient: Behavioral biases, structural constraints, and risk compensation create opportunities to generate returns. Alternative risk premia, such as value, momentum and carry, tend to explain significant portions of excess returns; however, in many cases, they can be replicated more cost-effectively and with more transparency than traditional "alpha." We have a strong discipline in risk premia research and portfolio construction through quantitative and qualitative processes to scale and diversify exposures.
- **Alpha and risk management:** Insights into the current economic environment and market conditions can be used to ensure a portfolio is relevant and reactive. Whilst economic return drivers and risk premia strategies provide long-run returns, over shorter time horizons, dislocations and opportunities present themselves, which we seek to exploit by tilting portfolios using Allspring global TAA expertise.

ESG issues and climate change affect investor portfolios from both top-down asset allocation and bottom-up security selection. The Allspring Systematic Edge – Multi-Asset team recognizes the need for an integrated approach, taking into account ESG, carbon, and climate change from both perspectives. Where (bottom-up) security selection is delegated to specialist teams, the Manager Research team is utilized to select the most appropriate managers. From a top-down perspective, it has become generally accepted that climate change affects both economic variables, like growth and inflation, as well as asset returns and risks. As a result, the team has designed an integrated framework to improve the long-term sustainability of investment strategies while continuing to pursue its goal of achieving the desired investment outcomes of Allspring UK's clients. The approach is in a continuous process of research and improvement and evolving to meet clients' needs in a sustainable manner.



## Risk of loss

All investments in financial instruments include a risk of loss that clients should be prepared to bear. This includes loss of the client's principal (invested amount) and any profits that have not been realized. Securities markets fluctuate substantially over time and because there is a risk of loss due to circumstances outside of Allspring UK's control, Allspring UK cannot guarantee any level of performance or that clients will not experience a loss in their accounts. Below is a list of material risks associated with our investment strategies:

**Currency risk:** Changes in exchange rates between currencies or the conversion from one currency to another may cause the value of an account's investments to diminish or increase. Currency exchange rates may fluctuate significantly over short periods of time. They generally are determined by supply and demand in the currency exchange markets and the relative merits of investments in different countries, actual or perceived changes in interest rates and other complex factors. Currency exchange rates also can be affected unpredictably by intervention (or the failure to intervene) by relevant governments or central banks, or by currency controls or political developments.

**Cybersecurity risk:** Cybersecurity risk is the risk of potential harm or loss of information as a result of breaches or attacks on technology and technology infrastructure. Technology use is a key and ever-growing component of many businesses and core to business operations. However, breaches or attacks can result in the loss of sensitive data and/or delay or halt access to technology and data that such businesses rely on for those core operations. Examples of threats include inappropriate access to networks, ransomware, phishing, denial of services, malware and more. Such incidents could impact Allspring UK's ability to effectively execute or settle trades, value securities and calculate net asset values (NAVs). Cyber risks also apply to broker-dealers, custodian banks, insurance companies, consultants or other relationships with whom Allspring UK interacts as necessary to service client accounts. In addition, Allspring UK does not have direct control of the cybersecurity programs of these relationships. Allspring UK's technology infrastructure is maintained by the Allspring Engineering and Technology team as well as through a TSA, as described in Item 4 above, and is subject to robust information security policies, which are designed to safeguard the security and confidentiality of client information as well as prevent, detect and mitigate cyber risks. However, there remains the possibility that Allspring UK is not fully prepared for such risks or that certain risks have not been identified.

**Data source risk:** Allspring UK subscribes to a variety of third-party data sources that are used to evaluate, analyze, and formulate investment decisions, including to construct models. The success of relying on such investment decisions and/or models may depend heavily on the accuracy, reliability and availability of the supplied data. If a third party provides inaccurate data or its data is unavailable, client accounts could be negatively affected. While Allspring UK routinely performs various reasonableness checks and otherwise believes the third-party data sources are reliable, there are no guarantees that data will be accurate.

**Debt securities and loans risk:** Debt securities, such as notes and bonds, and loans are subject to credit risk and interest rate risk. Credit risk is the possibility that an issuer or credit support provider of an instrument will be unable to make interest payments or repay principal when due. Changes in the financial strength of an issuer or credit support provider or changes in the credit rating of a security may affect its value. Interest rate risk is the risk that market interest rates may increase, which tends to reduce the resale value of certain debt securities. Debt securities with longer durations are generally more sensitive to interest rate changes than those with shorter durations. Changes in market interest rates do not affect the rate payable on an existing debt security, unless the instrument has adjustable or variable rate features, which can reduce its exposure to interest rate risk. Changes in market interest rates may also extend or shorten the duration of certain types of instruments, such as asset-backed securities, thereby affecting their value.



**Derivatives risk:** The term “derivatives” covers a broad range of investments, including futures, options and swap agreements. In general, a derivative refers to any financial instrument whose value is derived, at least in part, from the price of another security or a specified index, asset or rate. The use of derivatives presents risks different from, and possibly greater than, the risks associated with investing directly in traditional securities. The use of derivatives can lead to losses because of adverse movements in the price or value of the underlying asset, index or rate, which may be magnified by certain features of the derivatives, such as their ability to generate leverage. These risks are heightened when the portfolio manager uses derivatives to enhance return or as a substitute for a position or security, rather than solely to hedge (or offset) the risk of a position or security held. The success of Allspring UK’s derivatives strategies will also be affected by its ability to assess and predict the impact of market or economic developments on the underlying security, asset, index or rate and the derivative itself, without the benefit of observing the performance of the derivative under all possible market conditions.

**Emerging markets risk:** Emerging markets securities typically present even greater exposure to the risks described under “Foreign Investment Risk” and may be particularly sensitive to certain economic changes. For example, emerging market countries may be under-capitalized, have less-developed legal and financial systems or may have less stable currencies than markets in the developed world. Additionally, emerging markets may have volatile currencies and may be more sensitive than more mature markets to a variety of economic factors. Emerging market securities also may be less liquid than securities of more developed countries and could be difficult to sell, particularly during a market downturn.

#### **Environmental, social and governance (“ESG”) risk**

Investing in portfolios that employ an ESG, sustainability or climate-related strategy carries the risk that, under certain market conditions, the investments may underperform products that invest in a broader array of investments. Allspring UK may integrate ESG-related information into different aspects of its investment analysis, including industry analysis, management quality assessment, direct communications with company management teams, company strategy analysis, or fair value analysis, which may include adjustments to forecasted company financials (such as sales or operating costs), or valuation model variables (such as discount rates or terminal values)

- **Data quality:** In assessing the eligibility of an issuer in terms of ESG characteristics, there generally is a dependence upon information and data from third-party providers. ESG information from third-party data providers may be incomplete, inaccurate or unavailable. As a result, there is a risk that Allspring UK may incorrectly assess a security or issuer, resulting in the incorrect inclusion or exclusion of a security in the assets under the fund or account.
- **Opportunity costs:** There is also a risk that Allspring UK may not apply the relevant criteria of the ESG information correctly or that the relevant mandates could have indirect exposure to issuers who do not meet the relevant criteria. To the extent that Allspring UK uses ESG criteria as a basis for including or excluding securities from a fund’s portfolio, Allspring UK may forego opportunities in individual securities and/or sectors of securities which could have a positive or negative impact on performance and may cause the performance profile of the portfolio to differ from that of other mandates which invest in a similar universe of potential investments but which do not apply ESG-related criteria.
- **Variation in industry standards and interpretation:** The lack of common or harmonized definitions and standards regarding ESG-related criteria may result in different approaches by investment managers when setting ESG objectives making it difficult to compare mandates with ostensibly similar objectives, but which employ different security selection and exclusion criteria. Consequently, the performance profile of otherwise similar mandates may deviate more substantially than might otherwise be expected. Additionally, in the absence



of common or harmonized definitions and standards, a degree of subjectivity is required and this will mean that a mandate may invest in a security that another manager or an investor would not.

**Error risk:** Errors may occur in an account managed by Allspring UK. Allspring has an Error Policy and a supporting procedure to identify, escalate, remediate, and report errors. The policy and procedure apply to all legal entities, jurisdictions and business areas, including but not limited to investments, trading, operations, distribution and support activities. Investment management, portfolio trading and operational support activities are inherently complex processes that pose operational and compliance risks. These risks may, from time to time, manifest themselves and result in an error.

Allspring UK will address and resolve errors on a case-by-case basis, in its sole discretion, based on each error's facts and circumstances, including regulatory requirements, contractual obligations and business practices. Allspring UK is not obligated to follow any single method of resolving errors.

When Allspring UK determines that reimbursement is appropriate, the account will be compensated as determined in good faith by Allspring UK. The calculation of the amount of any loss will depend on the facts and circumstances of the error, and the methodology used by Allspring UK may vary. Unless prohibited by applicable regulations or a specific agreement with a client, Allspring UK will generally net a client's gains and losses from the error or a series of related errors with the same root cause and compensate the client for the net loss or permit the client to retain the net gain. In general, compensation is expected to be limited to direct monetary losses and will not include any amounts that Allspring UK deems to be speculative or uncertain, nor will it cover investment losses not caused by the error. Any loss that results from technology or service provider failures that are beyond Allspring UK's reasonable control will not be compensated.

**Foreign investment risk:** Foreign investments are subject to more risks than U.S. domestic investments. These additional risks may potentially include lower liquidity, greater price volatility and risks related to adverse political, regulatory, market or economic developments. Foreign companies also may be subject to significantly higher levels of taxation than U.S. companies, including potentially confiscatory levels of taxation, thereby reducing the earnings potential of such foreign companies. In addition, amounts realized on sales or distributions of foreign securities may be subject to high and potentially confiscatory levels of foreign taxation and withholding when compared to comparable transactions in U.S. securities. Investments in foreign securities involve exposure to changes in foreign currency exchange rates. Such changes may reduce U.S. dollar value of the investment. Foreign investments are also subject to risks including potentially higher withholding and other taxes, trade settlement, custodial, and other operational risks and less stringent investor protection and disclosure standards in certain foreign markets. In addition, foreign markets can and often do perform differently from U.S. markets.

**Geopolitical risk:** Geopolitical risk refers to the risks associated with changes or tensions between foreign countries, governing bodies and/or military control. For example, Russia launched a large-scale invasion of Ukraine on February 24, 2022, significantly amplifying already existing geopolitical tensions. Actual and threatened responses to such military action have impacted the markets for certain Russian commodities and likely have had collateral impacts on markets globally. As a result of this military action, the United States and many other countries have instituted various economic sanctions against Russian individuals and entities (including corporate and banking) and could institute broader sanctions on Russia and other countries. These sanctions and the resulting market environment could result in the immediate freeze of Russian securities, commodities, resources, and/or funds invested in prohibited assets, impairing the ability of a fund or client account to buy, sell, receive or deliver those securities and/or assets. Further, due to closures of certain markets and restrictions on trading certain securities, the value of certain securities held by a fund or client account have been significantly impacted, and in some instances has led to such securities being valued at zero. Russia's invasion of Ukraine, the responses of countries and political bodies to Russia's actions, and



the potential for wider conflict may increase financial market volatility and could have severe adverse effects on regional and global economic markets, including the markets for certain securities and commodities, such as oil and natural gas.

**Investment limitations:** Due to regulatory and issuer-specific limits that apply to the ownership of securities of certain issuers, Allspring UK may limit investments in the securities of such issuers. Similar limitations may apply to futures and other derivatives, such as options. In addition, Allspring UK may from time-to-time determine that, because of regulatory requirements that may apply to Allspring UK and/or its affiliates in relation to investments in a particular country or in an issuer operating in a particular regulated industry, investments in the securities of issuers domiciled or listed on trading markets in that country or operating in that regulated industry above certain thresholds may be impractical or undesirable. Limits and thresholds may apply at the account level or in the aggregate across all accounts (or certain subsets of accounts) managed, sponsored, or owned by, or otherwise attributable to, Allspring UK and its affiliates. For investment risk management and other purposes, Allspring UK may also generally apply internal aggregate limits on the amount of a particular issuer's securities that may be owned by all such accounts. In addition, to the extent that client accounts already own securities that directly or indirectly contribute to such an ownership threshold being exceeded, Allspring UK may sell securities held in such accounts in order to bring account-level and/or aggregate ownership below the relevant threshold. As a general practice in such cases, Allspring UK aims to sell the applicable securities on a pro-rata basis across all impacted accounts. In certain situations, however, Allspring UK may sell securities on a non-pro-rata basis to limit the impact to certain accounts (e.g., accounts that seek to replicate the performance of an index). In all situations, with respect to these requirements and limitations, Allspring UK will endeavor to treat all clients fairly. Nonetheless, sales of securities or other instruments resulting from such limitations and/or restrictions may result in realized losses for client accounts.

**Leverage risk:** An account utilizing leverage will be subject to heightened risk. Leverage often involves the use of various financial instruments or borrowed capital in an attempt to increase the return on an investment and is often intrinsic to certain derivative instruments. Leverage can take the form of borrowing funds, trading on margin, derivative instruments that are inherently leveraged, including but not limited to, forward contracts, futures contracts, options, swaps (including total return financing swaps and interest rate swaps), repurchase agreements and reverse repurchase agreements, or other forms of direct and indirect borrowings and other instruments and transactions that are inherently leveraged. Any such leverage, including instruments and transactions that are inherently leveraged, can result in the account's market value exposure being in excess of the net asset value of the account. In some cases, an account could need to liquidate positions when it is not advantageous to do so to satisfy its borrowing obligations. The use of leverage entails risks, including the potential for higher volatility and greater declines of an account's value, and fluctuations of dividend and other distribution payments.

**Liquidity risk:** Liquidity risk exists when certain investments are difficult to purchase or sell (e.g., lower quality corporate bonds, municipal bonds, smaller capitalization equities). This can impact an account's returns because the portfolio may be unable to transact at advantageous times or prices. In instances in which there is a delay in timing of trade implementation (e.g., municipal securities), there may be lost return opportunities due to uninvested cash. A lack of liquidity may also cause the value of investments to decline in times of market stress.

**Market risk:** The market price of securities may go up or down, sometimes rapidly or unpredictably. Securities may decline in value or become illiquid due to factors affecting securities markets such as labor shortages increased production costs or competitive conditions within an industry. A security may decline in value or become illiquid due to general market conditions which are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates, or adverse investor sentiment. During a general downturn in the securities markets, multiple asset classes may decline in value or become illiquid simultaneously.





**Model risk:** Allspring UK may provide services utilizing qualitative models and quantitative investment approaches through which investment recommendations are model driven. These processes are supported by extensive proprietary computer code that contains complex mathematical and statistical modeling. Allspring UK has implemented policies and procedures surrounding the development, testing, validation, implementation, and review of its investment models, including the code. However, despite these extensive controls, it is possible that errors may occur in coding and within the investment process, as is the case with any complex software or data-driven model, and no guarantee or warranty can be provided that any quantitative investment model is completely free of errors. Any such errors could have a negative impact on investment results. Allspring UK has control procedures in place designed to identify in a timely manner any such errors that would have a material impact on the investment process.

**Options risk:** A put option gives the purchaser of the option, upon payment of a premium, the right to sell (and the writer the obligation to buy) the underlying security, commodity, index, currency or other instrument at the exercise price and at the expiration date. A call option, upon payment of a premium, gives the purchaser of the option the right to buy (and the seller the obligation to sell) the underlying instrument at the exercise price and at the expiration date. If buying put or call options, an account assumes the risk of losing all premium paid including transaction costs. If selling put options, an account faces the risk that it may be required to buy the underlying security at a disadvantageous price above the market price at a certain date. If selling call options, an account faces the risk that it may be required to sell the underlying security at a disadvantageous price below the market price at a certain date.

**Pandemic risk:** Pandemics are large outbreaks of infectious disease that spread over a wide geographic area and pose significant local and/or global economic, social, and health risks. While Allspring UK has prepared for pandemic outbreaks in its ongoing business continuity planning there is no guarantee that Allspring UK or its service providers will be able to maintain normal operations and/or will not lose key personnel on a temporary or long-term basis as a result of COVID-19 or other pandemics. The full effects of pandemics are unknown which creates significant uncertainty in the global population and economic environments.

**Regulatory risk:** Changes in laws, government rules and regulations may adversely affect the value of a security or impact the ability of a portfolio to function as normally expected. An insufficiently or over regulated industry or market might also permit inappropriate practices that adversely affect an investment.

**Third-party vendor risk:** Allspring UK may engage one or more third party vendors in support of its provision of investment advisory services to a client's account. Third party vendors may be engaged to provide services such as accounting, trade management and support, client onboarding, reconciliation, valuation, software and technology provision and support, pricing and modeling, proxy voting administration, recordkeeping, and other similar types of services. A third-party vendor may provide services with respect to an account, certain investments held in an account or to Allspring UK or its affiliates. Allspring UK evaluates the selection and ongoing use of third-party vendors against a variety of factors, including expertise and experience, quality of service, reputation, and price in accordance with its vendor management program. Although Allspring UK maintains oversight over its third-party vendors, there may be instances where employee fraud or other misconduct, human error, or deficiencies in controls or technology systems of a third-party vendor may cause losses for an account or impact the operations of the account or of Allspring UK or its affiliates. An account's ability to recover any losses or expenses it incurs as a result of these third-party vendor incidents may be limited by the liability, standard of care and related provisions in the contractual arrangements between the account and Allspring UK, between Allspring UK or one of its affiliates and its third-party vendor(s), and/or between the account and its other third-party vendors.

The risks above are not designed to be exhaustive, but instead are intended to provide a sense of the various factors that make an investment return far from certain, no matter what the context of the investment.



## Item 9: Disciplinary information

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of Allspring UK's business or the integrity of its management.





## Item 10: Other financial industry activities and affiliations

Allspring UK offers only investment advisory and discretionary portfolio management services. It does not provide, and it is not compensated for any broker-dealer functions.

Allspring UK is a wholly-owned subsidiary of Allspring Global Investments Holdings, a holding company which is an indirect wholly-owned subsidiary of Allspring Group Holdings which is majority owned by certain private funds of GTCR and Reverence Capital Partners. GTCR and Reverence Capital Partners manage private funds that hold positions in, or may otherwise be deemed to control, other companies with which Allspring UK might transact or invest on behalf of clients. Additional information regarding these relationships and the related conflicts of interest is set forth in Item 11 - Code of Ethics Participation or Interest in Client Transactions and Personal Trading below.

Pursuant to agreements with its affiliate, Allspring Funds Management, and the Allspring Family of Funds (the "Allspring Funds"), Allspring UK provides investment advisory services (as an investment sub-adviser) to the Allspring Funds. Allspring Funds Management serves as the investment adviser to the Allspring Funds and also provides fund-level administrative services to the Allspring Funds.

As an investment advisor and discretionary portfolio manager, Allspring UK undertakes investment business as an authorized and regulated financial institution in a number of US and overseas jurisdictions and regions, in addition to the UK, as set out below:

### United Kingdom

In the UK, Allspring UK is authorized and regulated by the FCA and has obtained permission to carry out activities including, but not limited to: advising on investments, arranging deals in investments, dealing in investments as agent and managing investments. For further information on Allspring UK's regulated investment activities please refer to the FCA's Financial Services Register at: <https://register.fca.org.uk>.

### United States

In the US, Allspring UK is:

- an SEC registered investment adviser and
- with respect to commodity and derivative trading activity, a registered Commodity Trading Advisor ("CTA") and a Swap Firm with the Commodity Futures Trading Commission ("CFTC") and a member of the National Futures Association ("NFA").

Allspring UK also has an agreement with its affiliate, Galliard, an investment adviser registered with the SEC, pursuant to which Allspring UK markets Galliard's advisory services and refers potential clients to Galliard for advisory services. In exchange for such services, Allspring UK receives fees based on an inter-company transfer pricing framework. As an affiliate of Galliard, Allspring UK has an incentive to refer prospective clients to Galliard that might engage Galliard and generate additional revenue. However, Allspring UK operates independently of Galliard and does not have similar arrangements in place with any unaffiliated parties.

### Europe

Following the UK's departure from the European Union ("EU"), Allspring UK has been able to continue to conduct business with certain EEA countries from the United Kingdom in circumstances where an exemption to a license is already available or where there is a Temporary Permissions Regime (TPR)/other exemption in place that permits UK financial services firms like Allspring UK to continue providing existing and/or new investment services and activities



for a certain period of time without the need to apply for a license or be authorized (depending on certain services provided to certain categories of clients). Such TPRs/exemptions typically require Allspring UK to actively apply to continue to conduct business.

In addition to its reliance on either an exemption or the TPR, Allspring UK has applied and obtained authorization to undertake investment activities and services using a cross-border license in respect of the following EEA countries:

- Belgium – Financial Services and Markets Authority
- Liechtenstein – Financial Market Authority
- Denmark – Financial Supervisory Authority
- Finland – Financial Supervisory Authority

Allspring UK will continue to utilize the TPR, exemptions or cross-border licenses from European regulators in order to undertake investment business in other European jurisdictions. As a result, the above list of regulatory licenses is subject to change.

Allspring has a presence in Continental Europe through Allspring Luxembourg, which is authorized (i) as a UCITS management company in accordance with the UCITS Directive, (ii) to act as an alternative investment fund manager under the Alternative Investment Fund Managers Directive and (iii) to provide discretionary portfolio management, investment advice and the reception and transmission of order services by the Commission de Surveillance du Secteur Financier (the "CSSF"). Allspring Luxembourg has offices located in Paris, France, Frankfurt, Germany, and Milan, Italy with employees individually licensed through Allspring Luxembourg. Allspring Luxembourg is an affiliate of Allspring UK due to being a wholly owned subsidiary of Allspring Global Investments Holdings.

Allspring UK has engaged Allspring Investments to serve as sub-adviser for certain client accounts for which Allspring UK serves as investment adviser and has been engaged by Allspring Investments and Allspring Luxembourg to serve as a sub-adviser for certain client accounts for which they serve as investment adviser. In addition, Allspring UK has chosen to partner with Allspring Investments in the co-management of certain investment strategies. Pursuant to an intragroup services framework agreement, as described further below, Allspring Global Investments Holdings, Allspring UK, Allspring Investments, and Allspring Luxembourg receive and provide various support services to one another, including middle office and trade support services.

## South Africa

In South Africa, Allspring UK is registered with the Financial Sector Conduct Authority as an Authorised Financial Service Provider.

## Australia

In Australia, Allspring UK has a class order exemption from the Australian Securities and Investments Commission. This exemption from registration allows Allspring UK to provide services in Australia to certain institutional clients.

## Asia-Pacific

Allspring has a presence in the Asia-Pacific region with affiliates of Allspring UK located in Hong Kong, Singapore and Japan as detailed below:

- Allspring Hong Kong and Allspring Japan are incorporated under the laws of Hong Kong.
  - Allspring Hong Kong is licensed with Hong Kong's Securities & Futures Commission and is authorized to market and promote the investment advisory services of its affiliates, including Allspring UK, pursuant to a



marketing and referral Agreement with Allspring UK. Allspring Hong Kong is also authorized to market and promote the Allspring (Lux) Worldwide Fund, Allspring's Luxembourg domiciled funds managed by Allspring Luxembourg, pursuant to a marketing and referral agreement with Allspring Luxembourg.

- Allspring Japan has established a branch office in Tokyo, Japan, which is licensed and authorized by Japan's Financial Services Authority to market and promote the investment advisory services of its affiliates, including Allspring UK, pursuant to a marketing and referral agreement with Allspring UK.
- Allspring Singapore is incorporated in Singapore and is licensed with the Monetary Authority of Singapore and is registered with the SEC as an investment adviser in the United States. Allspring Singapore is authorized to market and promote the investment advisory services of its affiliates to its institutional clients, including the investment advisory services of Allspring UK pursuant to a marketing and referral agreement with Allspring UK. Allspring Singapore is also authorized to market and promote Allspring (Lux) Worldwide Fund, Allspring's Luxembourg domiciled funds, to its clients pursuant to a marketing and referral agreement with Allspring Luxembourg.

Each of the foregoing entities are affiliates of Allspring UK, are part of the Allspring Global Investments Holdings group of companies that operate under the trade name "Allspring" and are direct wholly-owned subsidiaries of Allspring Global Investments Holdings.

Allspring UK has an agreement with Allspring Luxembourg, Allspring Hong Kong, Allspring Singapore, and Allspring Japan pursuant to which these entities market Allspring UK's advisory services in certain non-UK jurisdictions and refer potential non-UK clients that meet applicable standards to Allspring UK for advisory services. In exchange for such services, Allspring Luxembourg, Allspring Hong Kong, Allspring Singapore, and Allspring Japan receive fees based on an inter-company transfer pricing framework.

As affiliates of Allspring UK, the referring entities have an incentive to refer prospective clients to Allspring UK that might engage Allspring UK and generate additional revenue. However, none of the referring entities has similar arrangements in place with any unaffiliated parties.

Allspring UK and its Allspring affiliates are parties to an Amended and Restated Intragroup Services Framework Agreement (the "ISFA"), with respect to the provision and receipt of certain middle office and operational support services among the Allspring affiliates party thereto. Allspring UK is both a service recipient and service provider under the ISFA with respect to such services.

## Nature of conflicts

Allspring UK's profits vary based on the investments and service providers Allspring UK selects or recommends to clients. When Allspring UK's compensation varies based on the investments or service providers it recommends, Allspring UK has a financial incentive (consciously or unconsciously) to make recommendations that maximize its profits, rather than to give clients disinterested advice. Allspring UK's interests directly conflict with a client's interests if other investments and service providers are available to clients that could charge less or offer them superior services or performance at the same cost.

This section provides an overview of circumstances in which Allspring UK has an incentive to maximize profits rather than to give clients disinterested advice. Greater detail concerning each conflict, and how Allspring UK seeks to address it, is provided throughout this Brochure.



Allspring UK has an incentive to select certain investments over others that generate less revenue for itself and/or its affiliates by:

- Recommending mutual funds and private funds that are managed or sponsored by Allspring UK or its affiliates.
- Recommending mutual funds, private funds and other investments that are sponsored by companies that pass through a portion of their revenue to Allspring UK.
- Recommending funds or share classes of a fund that charge clients administrative, service or sub-transfer agency fees that are passed through to Allspring UK.
- Recommending that a client purchase a security for which an Allspring UK affiliate participates in the selling syndicate, allowing Allspring UK's affiliate to earn selling concessions.
- Recommending a security for which Allspring UK's affiliate is remarketing agent, or lender in a bank loan syndicate (e.g., sales of pooled or packaged asset-backed securities) or acts as a bond trustee, paying agent, note registrar, master servicer, trustee, syndicate co-manager, originator, depositor, or sponsor.

Allspring UK has an incentive to select certain broker-dealers over others based on its interest in the broker-dealer:

- Offering free services like free research or other back- and middle-office support services.
- Referring clients to Allspring UK or engaging Allspring UK as an adviser.
- Offsetting, discounting or crediting fees that Allspring UK (or its affiliates) otherwise owe to the broker-dealer or its affiliates.

Allspring UK has an incentive to use the advisory services of an affiliated adviser, rather than an unaffiliated adviser, because its affiliates can profit from Allspring UK:

- Selecting and retaining an affiliated sub-adviser or co-manager that earns the advisory fee Allspring UK would otherwise pay to an unaffiliated company.
- Selecting and retaining an affiliated sub-adviser or co-manager with which Allspring UK shares certain operations and costs, potentially resulting in lower operational costs for Allspring UK.

Allspring UK has an incentive to offer or recommend strategies or investments that:

- Charge the client higher fees (which usually generate higher profits for Allspring UK than lower cost offerings).
- Use margin or leverage from short sales to increase the asset value on which Allspring UK's advisory fee is based for clients that pay an advisory fee on their gross account value.

It is important that clients understand how Allspring UK's compensation varies based on its investment recommendations, and how a client's investment returns are affected by differences in investment performance, sales charges, transaction fees, and other ongoing fees and costs. Over time, fees that are deducted from the amount invested by a client (upon purchase and/or sale) or paid out of the assets of an investment on an ongoing basis, reduce the value of a client's investment.

## Selection of affiliated advisers and co-managers.

In some cases, Allspring UK engages certain of its affiliated advisers to provide sub-advisory services for its clients. It also utilizes research and other security and market analyses prepared by certain of its affiliates and third-party advisers (i.e., "unaffiliated advisers") to help it formulate investment recommendations.

Allspring UK's use of an affiliated adviser or co-manager presents a conflict of interest for Allspring UK because a greater portion of client fees remains within the Allspring family of companies than if Allspring UK used a third party



to provide these services. Allspring UK's use of an affiliated adviser or co-manager also could present a conflict of interest because the affiliated adviser or co-manager could use its discretion to invest client assets in affiliated funds and certain investments that provide Allspring with greater aggregate revenue than provided by unaffiliated funds and other investments.

Allspring UK addresses this conflict through disclosure in this Brochure, and through reviews of the quality and continued value of the services provided by its advisers and co-managers. Allspring UK will replace an adviser or co-manager should a determination be made that it is no longer performing satisfactorily.



## Item II: Code of ethics, participation or interest in client transactions, and personal trading

### Code of ethics

Allspring UK and its global affiliates have adopted the Allspring Code of Ethics, or “Code,” to establish standards of conduct and ethics and to outline requirements reasonably designed to prevent fraudulent, manipulative, or improper practices or transactions. The Code applies to all of Allspring’s officers, directors, full-time or part-time employees, contingent workers who have been notified they are subject to the Code, and any other person designated by Allspring Compliance (“Access Persons”). The Code complies with Rule 204A-1 under the Advisers Act and Rule 17j-1 under the Investment Company Act of 1940 (“Company Act”). The Code, among other things, permits Allspring UK Access Persons to invest their personal assets in securities, subject to various restrictions and requirements, and requires Access Persons to periodically report their personal securities holdings and transactions and pre-clear certain personal securities transactions.

The Code is designed to reasonably detect and prevent violations of securities laws while addressing the fiduciary obligations Allspring UK owes to its clients. The Code is distributed to each Access Person at the time of hire as a condition of employment, and compliance with its terms must be acknowledged in writing again by each Access Person annually thereafter. Allspring UK supplements the Code with ongoing forensic monitoring of employee activity and periodic employee attestations.

When engaging in personal securities transactions, potential conflicts of interest arise between the interests of Allspring UK’s Access Persons and those of its clients. The Code makes clear that any such conflicts that arise in such personal securities transactions must be resolved in a manner that does not inappropriately benefit Allspring UK’s Access Persons or adversely affect its clients or accounts. The Code also prohibits the misuse of material, nonpublic information and requires Access Persons to comply with separate personal conduct policies, including but not limited to policies on gifts and entertainment, outside business activities, and political contributions.

Allspring UK Access Persons who maintain brokerage or investment accounts for themselves and/or their immediate family members or have financial control of a covered account are required to provide copies of, or attest to, their reportable securities transactions at the end of every quarter, and all holdings of reportable securities accounts must be reported at the end of every calendar year.

The above restrictions do not apply to purchases or sales of certain types of securities and accounts. Examples of this include shares of open-end registered investment companies that are unaffiliated with the Allspring Funds, money market instruments and certain U.S. Government securities.

The Code is on public file with, and available from, the SEC. It is also available upon request without charge by contacting Allspring UK through the information noted on the front cover of this Brochure.

### Additional potential conflicts and code considerations

The Code seeks to monitor and manage personal trading by Access Persons, and in some cases restrict or prohibit personal trading, subject to certain conditions. In addition, Allspring Investments is affiliated with private fund complexes that hold positions in a variety of financial and other types of businesses. As a result, due to Allspring UK’s activities as an investment advisor and manager, it is possible that conflicts will arise from time to time as Allspring UK Access Persons are managing their personal assets concurrent with the ongoing functions related to their



employment duties and fiduciary obligations, or the ongoing business activities of affiliated entities or its employees. Allspring UK seeks to manage these conflicts by strict application of its Code provisions and policy requirements.

The following situations could create an actual or perceived conflict of interest:

### **Affiliation**

Allspring UK is owned indirectly by funds managed by GTCR and Reverence Capital Partners, each of which is a private investment firm managing funds that hold substantial positions in a variety of portfolio companies and other investments, including registered investment advisers that provide advisory services to a broad array of clients. As such, there may be instances where some of these affiliated entities, including other Allspring advisers, could engage in its own trading involving the same securities that Allspring UK manages on a client's behalf. This means that while Allspring UK is managing its fiduciary duties to a client, other of its affiliated entities may be engaging in transactions that create a conflict (for example, affiliated entities could be selling the same security that Allspring UK has purchased for its client). In addition, these related persons could recommend that their clients transact in the same securities in which an Allspring UK client has a material financial interest. In some instances, it is even possible that an Allspring UK client also has a client relationship with one or more of these entities and its securities transactions may appear conflicted. With limited exceptions described below, any such affiliates generally are operated independently of Allspring UK, and these transactions by related persons are determined independently and without the involvement of Allspring UK and are outside of the course and scope of Allspring UK's investment advisory services. However, in order to manage these potential conflicts, Allspring UK maintains a variety of policies designed to maintain effective business barriers and manage the confidentiality of its own information and activities, as described further below.

### **Brokerage transactions with affiliates**

Allspring UK does not participate in client transactions as a broker or a dealer in securities and does not operate as a broker or a dealer in effecting securities transactions for compensation for any client. Except as described below, Allspring UK does not trade with affiliated broker-dealers. While this policy to restrict trading through affiliated broker-dealers limits the potential conflict of interest, Allspring UK could be limited in its ability to engage in certain securities transactions and to take advantage of market opportunities, as discussed in this Brochure, regarding the best execution of transactions. If Allspring UK determines that trading with an affiliated broker-dealer would be beneficial to a client account, Allspring UK will ensure that it reasonably believes the quality of the transaction is comparable to what it would be with other qualified broker-dealers. Allspring UK's routing of orders to an affiliated broker-dealer would present a conflict of interest because execution of those orders will result in an Allspring affiliated broker-dealer benefitting from the transaction. Allspring UK is subject to a duty to seek best execution for any securities transactions that it directs to a broker-dealer, including any transactions directed to one of its affiliated broker-dealers. Allspring UK takes brokerage commission rates into account in connection with its broker selection process and expects that the commission rates paid to any affiliated broker-dealer will be attractive, reasonable and fair, and comparable to the commission rates generally paid to unaffiliated broker-dealers for similar transactions. Any transactions routed to an affiliated broker-dealer on behalf of a U.S. registered investment company will be subject to Rule 17e-1 under the Company Act of 1940 and procedures adopted in accordance therewith. Such procedures effectively require that any commission paid to an affiliate in connection with a transaction not exceed the "usual and customary broker's commission" for such a transaction. More details on best execution can be found in Item 12 – Brokerage Practices.





## Independent activity by GTCR and/or Reverence Capital Partners and their affiliates

Certain other portfolio companies affiliated with GTCR and/or Reverence Capital Partners are engaged in the financial services, investment advisory and/or broker-dealer industries and could from time to time recommend securities, proprietary products and/or services to Allspring UK's clients. To the extent such "recommendations" are made, they are made independently by such related persons and without the involvement of Allspring UK and are outside the Allspring UK investment advisory context. In addition, GTCR and Reverence Capital Partners manage funds that hold positions in, or may otherwise be deemed to control, companies that have issued publicly traded shares. Allspring UK may from time to time invest in these companies on behalf of its clients, which investments may benefit GTCR, Reverence Capital Partners and their funds. In order to manage these potential conflicts, Allspring UK maintains a variety of policies designed to maintain effective business barriers, and any such investments are made independent of any consideration of potential benefits to GTCR, Reverence Capital Partners or their funds and in accordance with Allspring UK's investment decision-making process.

Allspring UK and its affiliated sub-advisers have an incentive to recommend to clients, or buy and sell for clients, securities that generate additional revenue for its affiliates, including our indirect owners, over securities that do not. For example, Allspring has an incentive to recommend mutual funds and private funds that are managed or sponsored by its affiliates. Allspring UK may purchase securities from time to time in offerings or underwritings in which Allspring affiliates, including our indirect owners, act in one or more capacities (and therefore has a financial interest in the outcome of the offering or syndication) to the extent permitted by applicable law and client investment guidelines, and clients should note the potential conflict of interest inherent in such activity. In such cases, Allspring UK follows the requirements and constraints of the client and/or applicable regulatory requirements, which includes the Company Act and requirements established under the Employee Retirement Income Security Act of 1974 ("ERISA"). In general, should Allspring UK and/or its affiliated sub-advisers inadvertently purchase securities in violation of these rules, the purchase will be deemed a trade error and Allspring UK will make the client whole for any losses suffered in connection with the unauthorized transaction in accordance with the Error Policy and supporting procedure discussed in Item 8 of this Brochure.

## Participation by Allspring UK in client securities transactions

With exceptions noted below, Allspring UK does not buy or sell for itself securities that it would recommend to clients:

Allspring UK's investment professionals and other employees are permitted to, and do from time to time, invest in the funds/strategies that they manage. Mutual funds managed by Allspring UK portfolio managers annually disclose information about the value of mutual fund shares owned by such portfolio managers, as well as information about the number and value of accounts that they manage and the number of accounts that are subject to performance fees.

## Proprietary investments by Allspring UK and/or its affiliates initial funding & seed capital

In the ordinary course of business, and subject to compliance with applicable regulations, Allspring UK, its affiliates and/or existing and future employees may from time-to-time invest in products managed by the firm, and Allspring UK and/or its affiliates may establish the initial funding ("Seed Capital") necessary to establish new affiliated funds or investment accounts for the purpose of developing new investment strategies and products (collectively, "Proprietary Accounts"). Investment by Allspring, its affiliates or our employees in Proprietary Accounts creates conflicts of interest because we may have an incentive to favor these Proprietary Accounts by, for example, directing Allspring UK's investment ideas to these accounts or allocating, aggregating or sequencing trades in favor of such accounts, to the disadvantage of other accounts. Allspring UK may have an incentive to dedicate more time and





attention to our Proprietary Accounts and to give them better execution and brokerage commissions than our other client accounts. Allspring Seed Capital may be used to form registered investment companies, including pooled vehicles (e.g., mutual funds, ETFs etc.), and may invest in the same securities as other client accounts. Allspring Seed Capital can be redeemed at any time generally without notice as permitted by the governing documentation and applicable regulations. A large redemption of shares by Allspring or its affiliates could result in the affiliated fund selling securities when it is not desirable accelerating the realization of capital gains and increasing transaction costs. A large redemption could significantly reduce the assets of an affiliated fund, causing a higher expense ratio, decreased liquidity, or liquidation of the affiliated fund.

Where permitted, Proprietary Accounts can and frequently do, invest in the same securities as other funds and client accounts managed by Allspring UK. Managing Proprietary Accounts creates a conflict of interest with other investment management accounts as Allspring UK's portfolio managers may be incented to focus extra attention on or allocate select investment opportunities to Proprietary Accounts. It is Allspring's policy to treat seeded Proprietary Accounts in the same manner as other funds and client accounts for purposes of order aggregation and allocation.

### Other potential client investment concerns and investment conflicts

The investment identification, selection and management process could create other potential or actual conflicts or concerns for Allspring UK and its clients, including:

- Client accounts invested in funds (e.g., money market and other mutual funds and private funds) will also bear their proportionate share of fees paid at the fund level. If the fund is sponsored, advised or otherwise serviced by an Allspring company, Allspring UK and/or its affiliates may receive fees that are paid at the fund level.
- Certain types of investments involve leverage or derivative-styled exposure to underlying or reference securities, which affect risk profiles and raise regulatory implications for certain types of clients.
- Some investments are created, managed or issued by entities that engage in social, economic, commercial or political activities that could be deemed objectionable or questionable by certain clients.
- Some investment strategies, such as strategies investing in fixed income securities, are more profitable to Allspring UK than other strategies, creating an incentive for Allspring UK to recommend certain strategies over other strategies to its clients. Some investments are only available to clients who meet certain investor standards, such as qualified institutional buyer ("QIB") or qualified purchaser status and might not be available to those who have considerations or restrictions with respect to investments in private or unregistered transactions or in transactions regulated by the federal government or state law (e.g., Native American gaming).
- Some investments (either directly, or due to the nature of underlying component assets or derivative structures) involve actual or perceived liquidity constraints that could adversely impact pricing determinations, valuation methodologies, transparency and review of asset composition, and/or the actual marketability and sale of the investment.
- The purchase and/or management of some investments involve credit analysis based in whole or in part on information that may not be readily available to the public (e.g., material, non-public information), and that can cause the client to become restricted in trading public securities of that issuer so long as such information remains material and non-public. In addition, investments in the same security by Allspring UK and its affiliated entities may result in increased aggregated exposure across the firm and therefore Allspring UK may be limited in its ability to transact in such security.

To minimize any potential client investment conflicts, Allspring UK manages its investment advisory and discretionary portfolio management services, fee structure, and investment selection process in accordance with pre-established client investment guidelines, the advisory or investment management agreement with the client,



and policies and procedures adopted pursuant to Rule 206(4)-7 of the Advisers Act. Allspring UK also maintains a Code of Ethics, firewall/restricted list procedures and other information barriers designed to ensure the confidentiality of investment activity for each Allspring UK client.

Additional actual or potential client investment conflicts and concerns include:

### **Securities of unaffiliated issuers**

Allspring UK has an incentive to recommend or select the securities of unaffiliated issuers that are in a position to influence or give business to Allspring UK or its affiliates. For example, Allspring UK may purchase publicly traded securities of issuers who are also clients of Allspring UK or another Allspring company. In these circumstances, Allspring UK monitors its position and limits size to percentages that are consistent with existing benchmarks or other investment protection principles, and in keeping with the objectives of the applicable strategy. Client investment guidelines and advisory or investment management agreements may also limit in whole or in part the purchase of related securities.

From time to time, Allspring UK may recommend or cause a client to invest in a security in which a person associated with Allspring UK has a personal holding/position. Allspring UK has adopted certain procedures intended to prevent investment professionals and their immediate family from benefiting from any price movements that may be caused by client transactions or Allspring UK's recommendations regarding such securities. Under those procedures, without specific approval, investment professionals are not allowed to purchase securities for their own account or an account in which they have a beneficial interest for a period of time before and after Allspring UK has purchased that security in a client account. Additionally, if an investment professional purchases a security in an account in which they have a beneficial interest, they generally cannot cause any client accounts to purchase that security within the stated time period unless circumstances warrant such action without likelihood of non-negligible impact to clients.

### **Trade allocation**

Allspring UK engages in transactions in the same security or securities on behalf of a group of accounts and will choose to execute trades separately or on an aggregated basis based on Allspring UK's reasonable belief as to economic benefit for the account. Generally, aggregated trades are allocated proportionately among accounts at or near the time of trade execution, but Allspring UK does not maintain a rule that all trades must be allocated pro rata. Transactions for accounts that are included in an aggregated order may be executed before, along with, or after transactions in the same security being executed for other Allspring UK clients. Considering Allspring UK's policy to treat all eligible Allspring UK clients fairly and equitably over time, allocations in connection with fixed income trades are not made on a pro rata basis given the specific characteristics of the subject securities.

Allspring UK's objective is to ensure that over time, no discretionary account is systematically favored over any other discretionary account as to any available investment for reasons outside of the client's investment guidelines and applicable law.

As part of the pre-trade order indication process, Allspring UK contemplates several factors, including: each account's investment objective(s) and risk exposure; restrictions and investment guidelines; available cash and ongoing liquidity needs; existing holdings of similar securities and correlation and deviation with respect to any relevant model portfolio(s). As noted above, non-pro rata allocations are generally the standard relative to fixed income trades to rebalance portfolios that have experienced cash flows or to address other general account management issues. Moreover, if an aggregated order is not completed for Allspring UK in its entirety, partial fills will be allocated proportionately by Allspring UK, though minimum size and odd lot restrictions will affect the



distribution, potentially resulting in an allocation that is not pro rata. As a result, one account may receive a price for a particular transaction that is different from the price received by another account for a similar transaction at or around the same time.

## Cross trading

Subject to applicable law and client restrictions, Allspring UK may, in its discretion, execute buy-sell transactions between accounts that it manages (either on an advisory or sub-advisory basis) without the involvement of a broker-dealer ("cross trades"). Participating accounts in cross trades may include accounts in which Allspring UK and/or its affiliates have an ownership interest. Cross trades present a potential conflict of interest. For example, Allspring UK could have an incentive to favor one of the participating accounts in a cross trade. As a matter of policy, Allspring UK must determine that the cross trade is in the best interests of both parties to the transaction. Any cross trade involving a registered mutual fund account will be executed in accordance with applicable rules under the Company Act, the Advisers Act and procedures adopted by the fund's boards of directors or trustees, which require, among other things, that the securities be priced at an independent market price. Cross trades involving non-mutual fund accounts will be executed in a substantially similar manner in accordance with the Advisers Act and Allspring UK's procedures. When Allspring UK executes a cross trade between its advisory or discretionary accounts, Allspring UK does not receive any brokerage commission with respect to the transaction. While in some situations there may be advantages to effecting a cross trade, Allspring UK seeks to achieve the best qualitative and quantitative execution on each trade and, as a result, could determine that exposing transactions to the market instead of cross trading is likely to result in best execution. Best execution policies are covered further in Item 12 – Brokerage Practices. Additional factors considered in determining how to effect a trade where Allspring UK clients have interests on each side of the trade include whether an independent (unaffiliated) broker: (i) provides deeply discounted fees for the trade, including any residual shares; (ii) provides certainty of time/price; and, (iii) exposes the trade to the market for consideration and price reporting. Individual Allspring UK portfolio managers and/or traders will make the determination whether to engage in cross-trade transactions based on their knowledge of the market, liquidity, and potential cost savings.

Allspring UK does not effectuate agency or principal cross trades as a current business practice.

In addition, a portfolio manager may execute transactions for other accounts that may adversely impact the value of securities held by other client accounts. For example, although uncommon, the portfolio manager may manage other accounts that engage in short sales and could sell short a security for such other account that the account also trades or holds. Although Allspring UK monitors such transactions to attempt to ensure equitable treatment of the holding account and the account that engages in short sales, there can be no assurance that the price of a security held by the account would not be impacted as a result. Additionally, securities selected for a particular account may outperform the securities selected for other accounts managed by the same portfolio manager.

## New issue allocation

Allspring UK may invest, on behalf of its clients, in securities being sold as a new issue when the investment is deemed to be appropriate and desirable for the client. Portfolio managers take into consideration, including but not limited to, the following factors when purchasing new issues:

- Client investment objectives;
- Client investment guidelines;
- Existing portfolio holdings;
- Cash availability;



- Asset allocation;
- Regulatory limitations/restrictions; and
- Investment merits of the new issue.

Under Allspring UK's policy, allocations are made available among clients on a pro-rata basis (except as described below) within either an indicated long-term hold strategy or a short-term strategy.

Allspring UK's policy for allocating new issue investment opportunities is designed to ensure that all clients are treated fairly and equitably over time. However, because situations could arise involving the allocation and balancing of existing account positions and cash, in certain instances some accounts do not participate in new issue allocations on a direct pro-rata basis.



## Item 12: Brokerage practices

Allspring UK generally determines the broker through which securities transactions are to be effected. In selecting brokers for discretionary portfolios, Allspring UK considers factors such as the overall direct net economic results to an account, including both price paid or received and any negotiated commissions and other costs paid, where applicable, the efficiency with which the transaction is effected, the ability to effect the transaction at all where a large block is involved, the availability of the broker to stand ready to execute possibly difficult transactions in the future, responsiveness to Allspring UK, and the financial strength and stability of the broker. Trades are only executed through brokers that are on Allspring UK's Approved Counterparty list. To be included on this list, brokers/counterparties must satisfy certain criteria including financial soundness, regulated status, and quality of service.

Trades are put out to competitive tender wherever possible and performance is calculated after the deduction of any dealing fees or charges. In certain markets, commission is not normally charged, for example, fixed income trades are executed on a net basis with no commission applied. Markets are usually quoted on a bid-ask basis, with Allspring UK transactions executed on a best-execution basis. Due to the type and nature of the instruments in which it deals, Allspring UK uses a variety of execution venues.

Allspring UK does not sell securities to, or purchase securities from, clients on a principal basis.

### Best execution

Allspring UK has adopted policies and procedures reasonably designed to satisfy its fiduciary duty to seek the most favorable execution terms reasonably available given the specific circumstances of each trade ("best execution"). The portfolio manager or trader also researches the security for its suitability, relative value and optimal price, in addition to researching which broker-dealer(s) may be in the best position to provide the best price. With the evolution of electronic trading platforms, portfolio managers and traders are more able to request bids and offers from multiple broker/dealers. In the exercise of its business judgment, Allspring UK in some instances only contacts one broker under conditions noted by policy. Allspring UK considers certain factors, including, without limitation, those listed below for obtaining best execution, for its clients' accounts (including client accounts and transactions that are in scope for UK and EU Markets in Financial Instruments Directive II ("MiFID II")). Each factor, in and of itself, is not construed as a definitive factor:

- Price
- Costs (implicit and explicit), including broker commission rates where applicable
- Timing and speed of execution
- Likelihood of, and capabilities in, execution, clearing and settlement
- Research
- Size of transaction relative to others in the same or similar financial instrument
- Ability to retain anonymity in the market or prevent information leakage, in order to minimize possible market impact
- A counterparty's willingness to commit capital to Allspring UK's transactions
- Financial status and responsibility of a counterparty or broker
- Other appropriate factors, such as client mandate constraints
- Broker-dealer's historic trade performance with Allspring UK



- Efficiency and effectiveness of the broker's back-office operations
- Broker-dealer's ability to provide liquidity and make a "market" for certain securities, including capital commitment and execution platforms which may impose additional mark-ups; and,
- If applicable, the broker-dealer's ability to facilitate "step-out" trades.

The actual allocation of brokerage business will vary from year to year, depending on Allspring UK's evaluations of all applicable considerations. In no case will Allspring UK make binding commitments as to the level of brokerage commissions it will allocate to a broker.

To meet its oversight and governance responsibilities, Allspring established oversight committees that meet on a quarterly basis to govern all trading practices, including various situations related to best execution of Allspring UK. The Equity Commission Trade Management Committee ("ECTMC") oversees and governs Allspring's equity, futures and FX Trade execution quality, commission management, Section 28(e) compliance and equity investment research costs. The Fixed Income Trade Management Committee ("FITMC") oversees the firm's global fixed income policy and ensures that Allspring UK maintains an effective governance program that complies with all stated policies, including best execution. Further, there is an Investment Oversight Committee at which escalated items coming out of the ECTMC and FITMC are reviewed and discussed.

For certain clients domiciled in the EU region or the UK, Allspring UK is required to manage those assets in accordance with MiFID II.

## Research

MiFID II rules seek to increase transparency of costs and eliminate potential conflicts of interest in the procurement of research as inducements can arise when asset managers receive multiple products or services from the same executing broker. Research reports, analyst calls, corporate or issuer access, or other benefits may be a potential inducement for an asset manager to direct trades to a broker who provides other services, with the potential to either trade more often than is appropriate or preclude trading with other brokers who may provide more favorable execution.

For all client accounts, research will be paid for by Allspring UK in hard dollars. Under certain situations, Allspring UK may utilize minor non-monetary benefits in the receipt of research services. Minor non-monetary benefits can be received as long as they enhance the quality of service provided to the client and are reasonable, proportionate and of a scale and nature that they do not influence or impair the Manager's duty to act honestly, fairly and professionally in the clients' best interests.

Allspring UK believes it is important to its investment decision-making process to have access to independent research. Brokerage and research services provided by brokers may include, among other things, effecting securities transactions and performing services incidental thereto (such as clearance, settlement, and custody), and providing information regarding: the economy; industries; sectors of securities; individual companies; statistical information; taxation; political developments; legal developments; technical market action; pricing and appraisal services; credit analysis; risk measurement analysis and performance analysis. Such research services are received primarily in the form of written reports, telephone contacts and personal meetings with security analysts. In addition, research services could take the form of access to various computer-generated data, and meetings arranged with corporate and industry spokespersons, economists and government representatives.



## Shared research

For certain fixed income teams, Allspring UK and its affiliated investment adviser, Allspring Investments, may share research and analyst reports that each receives and/or produces through combined meetings of analyst and/or portfolio management teams, a central database of research and reports, or as they otherwise deem appropriate. These affiliated investment advisers have determined that their clients generally will benefit from such shared research by effectively broadening the resources of each adviser.

## Directed brokerage

Allspring UK does not participate in any directed brokerage arrangements.

## Soft dollar arrangements

Allspring UK does not participate in soft dollar arrangements (practices whereby a broker agrees to provide some service or benefit to the firm in return for placing orders with the broker).

## Trade aggregation and allocation

Investment decisions for each client are made independently, but the same decision may be made contemporaneously for a range of clients with similar objectives or for those invested in similar strategies. This means that we may be buying or selling the same security at or about the same time for more than one client.

Allspring UK may aggregate similar trades and execute the trade as a single block. In certain circumstances, for example where portfolios/funds are co-managed with Allspring Investments, trades may also be aggregated with trades on behalf of clients of Allspring UK's affiliates. When transactions are aggregated, the securities purchased or sold will be allocated among the participating accounts in a fair and equitable manner. The actual prices applicable to the aggregated transactions will be averaged, and the accounts will be deemed to have purchased or sold their proportionate share of the securities involved at the average price.

Allspring UK will not aggregate transactions unless it believes that it is in the best interests of clients to do so. Aggregation is subject to regulatory requirements, the firm's duty to achieve best execution and the terms of its agreement with the client. However, there is no assurance that aggregation of transactions will benefit all clients equally, and in some instances combined orders could adversely affect the price or volume of a security. Also, it is possible that Allspring UK may not aggregate trades in circumstances where it would have been beneficial to do so. A potential conflict of interest could arise if orders for a client do not get fully executed due to being aggregated with orders of other accounts managed by Allspring UK. Where orders are partially filled, the trades will be allocated on a pro-rata basis.



## Item 13: Review of accounts

### Account review

Allspring UK periodically reviews client accounts. A portfolio management team is assigned to each account and is responsible for monitoring and maintaining compliance with client-specific guidelines. A portfolio risk management team monitors risks, intended and unintended, in an effort to help the portfolio management team manage accounts consistent with client expectations. Portfolio risk reports are generated and monitored on a daily basis. On a monthly basis, relevant counterparty, derivative, and product specific risks are reviewed with the firm's Chief Investment Officer(s) and respective investment team heads (Global Fixed Income, Plus Fixed Income and Systematic Edge – Multi-Asset), as applicable. On a quarterly basis, reviews are conducted with senior management, portfolio managers, and investment risk professionals in order to analyze individual portfolio performance, strategy, and risk.

Additionally, Allspring UK and its individual Client Relationship or Client Service Managers engage in an annual comprehensive investment review with the client to ensure client account investments are updated to comply with any changes in the applicable laws, regulations, policies and procedures, and investment guidelines.

Additional compliance procedures are in place to review portfolio and account activity for conformity with client investment guidelines, best execution and other considerations. As part of the monitoring process, Allspring Compliance utilizes compliance and trade order management systems to provide compliance reviews in conjunction with the portfolio management teams, as appropriate depending on investment guidelines, to ensure adherence to restrictions and requirements. Alerts on these systems are monitored by Compliance personnel with secondary reviews, and any warnings are researched and cleared in a timely manner.

### Client reporting

The nature and frequency of client reporting depends on the needs and requirements of the client and any applicable regulatory requirements. The frequency with which reports are disseminated to clients is normally covered in the advisory or investment management agreement, however, generally, reports are sent either monthly or quarterly. Reports contain information including a portfolio overview showing high-level balances and changes over the time period, performance versus the benchmark for various periods, holdings as at the end of the period and transactions executed during the period.

Reports may be provided to a client in electronic format, hardcopy or a combination of these media.





## Item 14: Client referrals and other compensation

Allspring UK has agreements with its affiliates Allspring Investments, Allspring Luxembourg, Allspring Singapore, Allspring Hong Kong and Allspring Japan pursuant to which such entities market Allspring UK's advisory services and refer potential non-US clients that meet certain standards to Allspring UK for advisory services. In exchange for such services, each of these entities receives fees based on an inter-company transfer pricing framework.

Allspring UK may from time to time pay compensation to third-party solicitors, placement agents, or to affiliates for client or private fund investor referrals (collectively, "Promoters"). Under these arrangements, Allspring UK generally pays a portion of the referred client's management fee earned by Allspring UK to the referring party. In these circumstances, Allspring UK will ensure that each Promoter complies with the applicable requirements in Rule 206(4)-1 under the Advisers Act. Such requirements may include, depending on the circumstances, maintenance of a written agreement between Allspring UK and the Promoter, and delivery by the Promoter of certain disclosures to prospective clients or prospective private fund investors setting forth the nature of the relationship between the Promoter and Allspring UK, any fees to be paid to the Promoter, and related conflicts of interest.



## Item 15: Custody

Allspring UK does not have permission by the UK's FCA to hold client assets or money and as such Allspring UK does not maintain physical custody of its clients' assets or monies. Client assets are, however, maintained in the custody of broker-dealers, banks and other qualified custodians. Clients should receive account statements from their bank, broker-dealer or other qualified custodian, in addition to any account information that they may receive from Allspring UK. Allspring UK urges clients to carefully review their account information and compare official custodial records to the account information provided by Allspring UK which could vary from custodial information based on accounting procedures, reporting dates, or valuation methodologies of certain securities. It is in the client's best interests to carefully review all statements received from the custodian and Allspring UK and raise any queries promptly with the relevant parties. For tax and other purposes, the statement received from the custodian is the official record of the client's account(s) and assets.



## Item 16: Investment discretion

As described in Item 4, Allspring UK provides investment management services to clients on a discretionary basis and non-discretionary basis, according to each client's investment objective, risk profile, and investment guidelines agreed upon in writing. Such discretionary authority is granted to Allspring UK by the client through the execution of a written investment advisory agreement. The client may limit Allspring UK's discretionary authority through the terms of the agreement. Absent instructions to the contrary from the client, Allspring UK may exercise its discretionary authority to determine, without obtaining specific client consent, the securities to be bought or sold for a client's account, the amount of securities to be bought or sold for a client's account, the broker-dealer to be used for the purchase or sale of securities for a client's account, and the commission rates to be paid to a broker dealer for the securities transactions in a client's account in accordance with a written investment management agreement. Generally, Allspring UK's clients grant it full discretionary authority over the purchase and sale of securities for their accounts, subject to the investment objectives and guidelines that are established by written agreement between Allspring UK and the client at the time the account is opened.

Certain clients may also require prior approval of investment transactions or request to be advised before certain investment transactions are effected. Where Allspring UK serves as an investment adviser to a fiduciary account for a trust, prior approval is often required by the trustee or grantor of the trust.

For registered investment companies sub-advised by Allspring UK, the respective Board of Directors, Managers or Trustees of such companies establish guidelines and restrictions which Allspring UK complies with, in respect to investment strategies that include the type of securities to be bought and sold. Such guidelines can be found in each fund's prospectus and Statement of Additional Information.



## Item 17: Voting client securities (i.e., proxy voting)

Allspring UK has and accepts the authority to vote proxies on behalf of its clients. Allspring UK has adopted the Allspring Global Investments Proxy Voting Policies and Procedures (the “Procedures”) in accordance with Rule 206(4)-6 under the Advisers Act in an effort to ensure that proxies are voted in the best interests of its clients without regard to any relationship that any affiliated person of Allspring UK (or an affiliated person of such affiliated person) may have with a particular issuer. Allspring UK exercises its voting responsibility as a fiduciary with the goal of maximizing value to clients consistent with governing laws and the investment policies and specific requirements of each client.

Allspring UK has put in place a custom voting policy (the “Policy”) to implement the Allspring voting principles and to make every effort to ensure the manner in which securities are voted is in the best interest of clients. An independent, unaffiliated proxy voting adviser (“Proxy Voting Company”) has been engaged to assist in the implementation of certain proxy voting-related functions including: 1) Provide research on proxy matters 2) Provide technology to facilitate the sharing of research and discussions related to proxy votes 3) Vote proxies in accordance with Allspring’s guidelines 4) Handle administrative and reporting items 5) Maintain records of proxy statements received in connection with proxy votes and provide copies/analyses upon request. Except in instances where clients have retained voting authority, Allspring UK retains the responsibility for proxy voting decisions. Allspring UK may consider ESG focused research as a point of reference in certain cases deemed to be material to a company’s long term shareholder value.

A Proxy Governance Committee (the “Proxy Committee”) has been established that is responsible for the proxy voting process and ensuring that the voting process is implemented in conformance with the Policies and Procedures. The Proxy Committee monitors the Proxy Voting Company and the voting process and votes proxies or directs the Proxy Voting Company on how to vote. As a general matter, proxies are voted consistently in the same manner when securities of an issuer are held by multiple accounts.

Due to the fact that Allspring UK currently manages portfolios of fixed income securities, index exposures, futures, forwards and swaps, all of which rarely carry voting rights and in respect of which proxies are rarely solicited, Allspring UK does not anticipate any proxy voting activity. However, if the situation does arise whereby Allspring UK does proxy vote Allspring UK may have a conflict of interest regarding a proxy to be voted if, for example, Allspring UK or one of its affiliates has a relationship with the issuer of a proxy. In most instances, conflicts of interest are avoided through a strict and objective application of the voting guidelines. However, when Allspring UK is aware of a material conflict of interest regarding a matter that would otherwise be considered on a case-by-case basis by the Proxy Committee, the Proxy Committee will address the material conflict by using any number of specified conflict management methods.

While Allspring UK uses its best efforts to vote proxies, in certain circumstances, it is impractical or impossible for it to vote proxies (e.g., limited value or unjustifiable costs). Due to these restrictions, Allspring UK will balance the benefits to the clients of voting proxies against the potentially serious portfolio management consequences of a reduced flexibility to sell the underlying shares at the most advantageous time. As a result, Allspring UK will generally not vote those proxies in the absence of an unusual, significant vote or compelling economic importance.

Allspring UK will provide proxy statements and any records as to how Allspring UK voted proxies on behalf of its client quarterly or upon request. For assistance with this and any other proxy inquiry, clients may contact their relationship manager directly, call +1-866-259-3305 or email: [AllspringClientAdministration@allspringglobal.com](mailto:AllspringClientAdministration@allspringglobal.com).



## Item 18: Financial information

As a wholly-owned subsidiary of Allspring Group Holdings, LLC, Allspring UK's financial statements are consolidated with those of the parent company. There has been no material adverse change in the financial condition of Allspring UK.



## Item 19: Requirements for state-registered advisers

Not applicable.