

# Current Equity Income Managed Account

## BENCHMARK:

Russell 1000® Value Index

## TOP HOLDINGS (%)

Microsoft Corporation .....	9.74
Merck & Co., Inc. ....	3.67
Phillips 66 .....	3.57
Lockheed Martin Corporation .....	3.43
Bank of America Corp .....	3.23
Waste Management, Inc. ....	3.13
JPMorgan Chase & Co. ....	3.12
General Dynamics Corporation .....	3.09
UnitedHealth Group Incorporated .....	3.05
McDonald's Corporation .....	2.94

Largest company weights are based on market value of the representative account and not necessarily held in all client portfolios. The information shown is not intended to be, nor should it be construed to be, a recommendation to buy or sell an individual security. A list of all holdings from the prior one-year period is available upon request.

## PORTFOLIO MANAGEMENT

Name	Industry	Start Date
Jack Spudich, CFA <i>Portfolio Manager</i>		1986
Chris Hanaway, CFA <i>Portfolio Manager</i>		1994
Kent Newcomb, CFA <i>Portfolio Manager</i>		1985

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All investing involves risks, including the possible loss of principal. There can be no assurance that any investment strategy will be successful. Investments fluctuate with changes in market and economic conditions and in different environments due to numerous factors, some of which may be unpredictable. Each asset class has its own risk and return characteristics. Asset allocation and diversification cannot eliminate the risk of fluctuating prices and uncertain returns nor can they guarantee profit or protect against loss in declining markets. Dividends are not guaranteed and are subject to change or elimination. Risks associated with the Technology sector include increased competition from domestic and international companies, unexpected changes in demand, regulatory actions, technical problems with key products, and the departure of key members of management. Technology and Internet-related stocks smaller, less-seasoned companies, tend to be more volatile than the overall market.

## Key distinctions

- A focus on strong companies that are expected to deliver consistent dividend increases
- Expectation of a yield greater than that of the S&P 500, with attractive total return through price appreciation plus dividends
- Seeks to provide downside protection with lower beta compared with the S&P 500
- A diversified but high conviction portfolio of 40 to 60 stocks
- Low portfolio turnover with a tax aware process

## Investment philosophy

We believe:

- Companies that have a history of consistently increasing dividends have significant signaling qualities
  - The ability and willingness of management to return capital to shareholders
- Company has sustainable competitive advantages
- Company is financially strong and allocates capital prudently and effectively
- Identifying strong companies and holding those businesses through full market cycles lead to investment success
- A diversified, but focused, portfolio of companies with the ability to raise dividends regularly will offer investors strong risk-adjusted returns with superior downside protection during periods of market stress

## Supplemental information

### Annualized returns (%)

	3 months <sup>1</sup>	YTD <sup>1</sup>	1 year	3 years	5 years	10 years	Since inception
Composite — Pure Gross <sup>2</sup> (incept 2-1-23)	-1.27	5.59	11.36	-	-	-	9.04
Composite — Net <sup>3</sup>	-2.02	4.00	8.02	-	-	-	5.78
Russell 1000® Value Index	-2.17	6.63	13.06	-	-	-	9.00

The Russell 1000® Value Index measures the performance of those Russell 1000 companies with lower price/book ratios and lower forecasted growth values. You cannot invest directly in an index.

### Portfolio characteristics

Statistic	Portfolio	Benchmark
Dividend Yield	2.44%	2.19%
Price/Book	4.05x	2.53x
P/E (trailing 1-year)	19.12x	19.12x
ROE	27.89%	15.07%
EPS 3-5 Year est	10.58%	11.35%
Historical 5 Yr EPS Growth	11.60%	10.04%
Wtd. Avg. market cap (\$B)	491.11	158.40

### Sector weightings<sup>4</sup> (% equities)

Sector	Portfolio	Benchmark
Communication services	1.89	4.49
Consumer discretionary	8.05	4.74
Consumer staples	6.72	7.95
Energy	8.81	8.01
Financials	14.48	22.87
Health care	14.58	13.91
Industrials	19.17	14.25
Information technology	15.64	9.53
Materials	1.26	4.66
Real estate	0.00	4.60
Utilities	5.78	4.98
Cash & equivalents	3.60	-

**Performance is historical and does not guarantee future results.** For more information, please refer to the attached GIPS composite report. Sector weightings, portfolio characteristics, and holdings are based on are based on a representative account within the Allspring Global Investments composite. Allspring Global Investments provides the sub-advisory services for the Allspring Funds Management retail managed account product. The S&P 500 Index consists of 500 stocks chosen for market size, liquidity, and industry group representation. It is a market-value-weighted index with each stock's weight in the index proportionate to its market value. You cannot invest directly in an index.

**1.** Returns of less than one year are not annualized. **2.** The gross performance data is a pure gross-of-fees return and does not reflect the deduction of any management fees or transaction costs. **3.** The net return is calculated based on the gross returns reduced by a typical 3% maximum annual wrap fee that could be charged to an account. **4.** Sector weightings may not add up to 100% due to rounding.



## GIPS® Composite Report

Period	"Pure" Gross Annual Return (%)*	Net Annual Return (%)	Primary Index Return (%)	Composite 3-Yr Std. Dev. (%)	Primary Index 3-Yr Std. Dev. (%)	Internal Dispersion (%)	Number of Accounts	Composite Assets (\$-mm)	Total Firm Assets (\$-mm)
02/01/23-12/31/23	7.05	4.13	5.97	N/A	N/A	N/A	5	2.02	432,838

**Primary Index:** Russell 1000® Value

\*\*"Pure" gross annual returns do not reflect the deduction of any expenses, including trading costs. "Pure" gross returns are supplemental to the net returns.

Source: Allspring Global Investments

Allspring Global Investments (Allspring) claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Allspring has been independently verified for the periods January 1, 1997 - December 31, 2023. The verification reports are available upon request. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report.

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

The Current Equity Income Managed Account Composite (Composite) seeks to offer investors a diversified, conservative, high-quality portfolio with above average dividend yield and strong dividend growth. As a result of this investment style, the Strategy is expected to outperform in declining or stable markets and exhibit less volatility over a complete market cycle. It typically holds 40 to 60 stocks across multiple industries and sectors. Focus is on investing in dividend-paying equities that are believed to have sustainable dividends with dividend growth potential, that collectively provide a diversified strategy with a yield that is higher than the current broad market average. Investment results are measured versus the Russell 1000® Value Index. The portfolios in this discipline have been sub-advised by Allspring Global Investments, LLC since inception. The Composite creation and inception date is February 1, 2023. Since inception, wrap accounts represent 100% of the Composite assets.

Composite returns are expressed in US dollars and reflect the reinvestment of dividends and other earnings. A wrap-fee account is an account under which a client is charged a specified fee or fees not based directly on transactions in the client's account for investment advisory services and execution of client transactions. A typical wrap-fee account client pays an all-inclusive "wrap fee" for the advisory, brokerage, custody and other services associated with the account. Net returns are net of the maximum wrap account fee, which includes commissions and transaction costs and are calculated by deducting 1/12th of the annual wrap fee from the Composite's monthly pure gross return. Actual fees may vary depending on the applicable fee schedule. The maximum fee used for the portfolios in the strategy is 3.00%. Some accounts in the Composite may pay commissions in addition to the wrap fee. Additional information regarding Allspring's policies for valuing investments, calculating performance, and preparing GIPS Composite Reports is available upon request. A list of composite descriptions, a list of limited distribution pooled fund descriptions, and a list of broad distribution pooled funds are available upon request.

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

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

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