

# ESG Managed DSIP Managed Account

## BENCHMARK:

S&P 500 Index

## TOP HOLDINGS (%)

Microsoft Corporation .....	10.51
W.W. Grainger, Inc. ....	4.64
Accenture Plc Class A .....	4.18
BlackRock, Inc. ....	3.88
Merck & Co., Inc. ....	3.73
Procter & Gamble Company .....	3.69
Lowe's Companies, Inc. ....	3.68
Automatic Data Processing, Inc. ....	3.59
Cisco Systems, Inc. ....	3.57
Amgen Inc. ....	3.39

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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The ESG ratings measure the quality of the combined ESG policies of a company as determined by MSCI. ESG Ratings range from leader (AAA, AA), average (A, BBB, BB) to laggard (B, CCC). The portfolios by rating category are equal weighted and derived from the universe of constituents of the Russell 3000 Index. Source: MSCI. MSCI makes no express or implied warranties or representations and shall have no liability whatsoever with respect to any MSCI data contained herein. The MSCI data may not be further redistributed or used as a basis for other indices or any securities or financial products. This report is not approved, reviewed, or produced by MSCI.

## Key distinctions

- The portfolio is focused on the ESG category leaders
- Companies with the highest ESG ratings have generally earned an attractive total return through price appreciation plus dividends
- An emphasis on ESG leading companies that we expect 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
- A diversified but high conviction portfolio with a focus on downside risk management

## 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
- Companies with favorable ESG attributes have exhibited many of the same characteristics of companies that increase their dividends regularly, including competitive returns with below-market volatility

## 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 11-1-23)	-1.88	4.25	-	-	-	-	18.12
Composite — Net <sup>3</sup>	-2.63	2.68	-	-	-	-	15.75
S&P 500 Index	4.28	15.29	-	-	-	-	31.54

Portfolio Characteristics		
Statistic	Portfolio	Benchmark
Dividend Yield	2.15%	1.34%
Price/Book	6.04x	4.94x
P/E (trailing 1-year)	22.82x	25.97x
ROE	28.71%	30.04%
EPS 3-5 Year est	12.14%	16.26%
Historical 5 Yr EPS Growth	11.14%	18.15%
Wtd. Avg. market cap (\$B)	478.53	1010.57
Overall MSCI ESG Rating	AA	A

Sector Weightings <sup>4</sup> (% equities)		
Sector	Portfolio	Benchmark
Communication services	0.00	9.34
Consumer discretionary	6.71	9.95
Consumer staples	10.66	5.77
Energy	0.00	3.65
Financials	15.02	12.42
Health care	17.13	11.72
Industrials	15.82	8.13
Information technology	21.09	32.45
Materials	4.90	2.15
Real estate	2.29	2.15
Utilities	3.18	2.26
Cash & equivalents	3.21	-

**Risks:** Strategies that are concentrated in a limited number of securities or sectors may be subject to a higher degree of market risk than investments that are more diversified.

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 of smaller, less-seasoned companies, tend to be more volatile than the overall market.

An investment strategy that emphasizes sustainability and environmental, social and governance (ESG) characteristics may perform differently than a strategy without such an emphasis, or the market as a whole. The investment strategy may forgo investments or make investments that differ from an otherwise similar investment strategy that does not evaluate and select investments on the basis of their sustainability and ESG credentials. ESG information from third-party data providers may be incomplete, inaccurate or unavailable. As a result, there is a risk that the Investment Manager may incorrectly assess a security or issuer.

**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 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.

**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)
11/01/23-12/31/23	13.30	12.73	14.09	N/A	N/A	N/A	1	0.06	432,838

**Primary Index:** S&P 500

\*\*"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 ESG Managed DSIP Managed Account Composite (Composite) seeks to provide a diversified, conservative, high-quality portfolio of stocks with strong dividend growth and ESG category leaders. The strategy typically holds 35 to 60 stocks across multiple industries and sectors. Focus is on investing in ESG leading companies that are believed to have sustainable dividends with dividend growth potential. Collectively, ESG Managed DSIP provides a diversified strategy with a yield that is higher than the current broad market average. Investment results are measured versus the S&P 500 Index. The portfolios in this discipline have been sub-advised by Allspring Global Investments, LLC since inception. The Composite creation and inception date is November 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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