

# U.S. Long/Short Equity Fund

Inst: ADMZX | A: ADMQX | C: ADSCX | R6: ASLRX

## Asset class: Alternatives

### THE FUND

The Allspring U.S. Long/Short Equity Fund seeks long-term capital appreciation by employing a strategy of gaining long and short exposure of issuers in the U.S.

### FUND STRATEGY

- Seeks to exploit the low volatility anomaly and inefficiency in globally developed markets by building a long portfolio with exposure to fundamental factors that can generate alpha and by shorting high risk stocks with poor fundamental factor exposure
- Utilizes a quantitative investment process to evaluate multiple fundamental, statistical and technical characteristics covering valuation, growth, return history, risk liquidity and economic sensitivity
- Employs risk modeling techniques to pursue equity-like returns with significantly less volatility than the benchmark

### FUND MANAGERS

Name	Yrs experience
Harindra de Silva, Ph.D., CFA	38
Ryan Brown, CFA	19
Kevin Cole, CFA	13

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Expense ratios (%)	Net excluding dividend and interest on short sales		
	Gross	Net	
Institutional	3.37	1.92	1.26
Class A	3.69	2.24	1.58
Class C	4.44	2.99	2.33
Class R6	3.27	1.82	1.16

The Gross Expense ratio includes dividend and interest expense on short sales of 0.66%.

## Competitive advantages

- Dynamic alpha model: The model provides enhanced stock selection by analyzing fundamental characteristics that drive returns to determine advantageous factor tilts
- Low volatility anomaly: Through shorting high risk stocks, the team is able to simultaneously lessen volatility and drive alpha
- Reduced correlation: Proprietary hedging approach seeks to provide downside protection with lower correlation to the benchmark

## Sector allocation (%)<sup>1</sup>

Sector allocation	Long	Short	MSCI USA Index 70 (Net) <sup>2</sup>
Communication services	2.65	-1.51	6.27
Consumer discretionary	12.77	-6.55	7.27
Consumer staples	11.39	-0.43	4.10
Energy	2.78	-0.34	2.80
Financials	9.25	-4.00	9.12
Health care	15.63	-3.07	8.58
Industrials	12.53	-5.16	6.36
Information technology	29.39	-2.29	20.67
Materials	0.05	-5.64	1.69
Real estate	1.80	-1.41	1.63
Utilities	2.01	-0.19	1.51
Cash & equivalents	30.33	—	30.00

Sector allocation is subject to change and may have changed since the date specified. Percent total may not add to 100% due to rounding.

## Annual Returns

Total returns (%)	3 Month	YTD	Annualized			Since Inception
			1Y	3Y	5Y	
Institutional Shares	7.48	7.48	10.53	10.05	6.69	6.14
Class A Shares	7.44	7.44	10.12	9.74	6.45	5.90
<i>Including sales charge</i>	1.28	1.28	3.79	7.60	5.20	5.12
Class C Shares	7.37	7.37	9.46	9.42	6.26	5.78
<i>Including sales charge</i>	6.37	6.37	8.46	9.42	6.26	5.78
Class R6 Shares	7.61	7.61	10.66	10.09	6.72	6.15
MSCI USA Index (Net) <sup>3</sup>	10.30	10.30	29.67	10.30	14.46	7.98
U.S. Long/Short Equity Blended Index <sup>4</sup>	5.74	5.74	17.12	6.79	8.54	7.98
Lipper Alternative Long/Short Equity Funds <sup>5</sup>	6.70	6.70	15.44	6.11	6.93	—

*Figures quoted represent past performance, which is no guarantee of future results, and do not reflect taxes that a shareholder may pay on an investment in a fund. Investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted and assumes the reinvestment of dividends and capital gains. Current month-end performance is available at the funds' website, allspringglobal.com. Institutional and R6 Class shares are sold without a front-end sales charge or contingent deferred sales charge. For Class A, the maximum front-end sales charge is 5.75%. For Class C, the maximum contingent deferred sales charge is 1.00%. Historical performance shown for all classes of the Fund prior to 12-16-22, is based on the performance of the Fund's predecessor, 361 Domestic Long/Short Equity Fund. Historical performance shown for the Class C shares prior to their inception reflects the performance of the Fund's Class A shares and has been adjusted to reflect the higher expenses applicable to Class C shares. Historical performance shown for the Class R6 shares prior to their inception reflects the performance of the Fund's Institutional Class shares and includes the higher expenses applicable to the Institutional Class shares. If these expenses had not been included returns for Class R6 shares would be higher. The manager has contractually committed through 2-28-25, to waive fees and/or reimburse expenses to the extent necessary to cap the fund's total annual fund operating expenses after fee waivers at 1.57% (A), 2.32% (C), 1.25% (I) and 1.15% (R6). Brokerage commissions, stamp duty fees, interest, taxes, acquired fund fees and expenses, expenses from dividends and interest on short positions, and extraordinary expenses are excluded from the cap. Prior to or after the commitment expiration date, the cap may be increased or the commitment to maintain the cap may be terminated only with the approval of the Board of Trustees. Without this cap, the fund's returns would have been lower. The expense ratio paid by an investor is the net expense ratio (the total annual fund operating expenses after fee waivers) as stated in the prospectus.*



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Performance and volatility measures <sup>†</sup>	Fund (INST class shares)	Morningstar category
Alpha	-0.20%	-0.91%
Beta	0.44	0.55
Sharpe Ratio	0.44	0.47
Standard Deviation	9.92%	14.51%
Upside capture	44%	59%
Downside capture	49%	60%

Top long holdings (%)	Percent
Microsoft Corporation	3.04
Amazon.com, Inc.	2.63
Apple Inc., Swap	2.21
EMCOR Group, Inc.	2.19
Texas Roadhouse, Inc.	2.06
NVIDIA Corporation	1.99
Clorox Company	1.97
Murphy USA, Inc.	1.91
Genuine Parts Company	1.81
Colgate-Palmolive Company	1.74

Top short holdings (%) (as of 1/31/2024)	Percent
RBC Bearings Incorporated	-1.22
TFS Financial Corporation	-1.16
Whirlpool Corporation	-1.14
TransDigm Group Incorporated	-1.10
BIRKENSTOCK HOLDING PLC COMMON STOCK NPV	-1.07

Portfolio holdings are subject to change and may have changed since the date specified. The holdings listed should not be considered recommendations to purchase or sell a particular security.

Investing involves risk, including the possible loss of principal. Stock values fluctuate in response to the activities of individual companies and general market and economic conditions. Short selling is generally considered speculative, has the potential for unlimited loss, and may involve leverage. Consult the fund's prospectus for additional information on these and other risks.

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**Alpha** measures the excess return of a fund relative to the return of its benchmark, given its level of risk. **Beta** measures fund sensitivity to market movements. The benchmark beta is 1.00 by definition. **Sharpe ratio** measures the potential reward offered by a mutual fund relative to its risk level. The higher the Sharpe ratio, the better the fund's historical risk-adjusted performance. **Standard deviation** measures the volatility of a fund's returns. Higher deviation represents higher volatility. **Upside capture** measures a fund's replication of its benchmark during periods of positive returns. During periods of positive benchmark returns, an upside capture ratio greater than 100% indicates a fund has outperformed the benchmark and an upside capture ratio less than 100% indicates underperformance compared to the benchmark. **Downside capture** measures a fund's replication of its benchmark during periods of negative returns. During periods of negative benchmark returns, a downside capture ratio less than 100% reflects product performance greater than the benchmark and a downside capture ratio greater than 100% reflects performance less than the benchmark. \*Calculated from 3/31/16 for the Fund and Morningstar category. Relative measures are compared with the MSCI USA Index. **1.** Sector allocation is a breakdown of the Fund's investments based on the S&P Global Industry Classification Standard (GICS), a breakdown of market sectors used by Standard & Poor's. **2.** A custom 70% MSCI USA Index / 30% ICE BofA U.S. 3-Month Treasury Bill Index benchmark is used for sector comparisons to reflect the fund's target net market exposure. **3.** The Morgan Stanley Capital International (MSCI) USA Index (Net) is a free-float adjusted market-capitalization-weighted index that is designed to measure large- and mid-cap U.S. equity market performance. You cannot invest directly in an index. **4.** The fund's secondary benchmark is 50% MSCI USA Index / 50% ICE BofA U.S. 3-Month Treasury Bill Index. The ICE BofA U.S. 3-Month Treasury Bill Index is a measure of performance of Treasury bills with a remaining term to final maturity of less than three months. Treasury bills are guaranteed by the U.S. government and, if held to maturity, offer a fixed rate of return and fixed principal value. Copyright 2024. ICE Data Indices, LLC. All rights reserved. **5.** The Lipper averages are compiled by Lipper, Inc., an independent mutual fund research and rating service. Each Lipper average represents a universe of funds that are similar in investment objective.

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Class A and Class C require a minimum initial investment of \$1000 and minimum subsequent purchase of \$100 for regular accounts.

Note: Not all Share Classes may be available at all firms.

Carefully consider a fund's investment objectives, risks, charges, and expenses before investing. For a current prospectus and, if available, a summary prospectus, containing this and other information, visit [allspringglobal.com](http://allspringglobal.com). Read it carefully before investing.

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2

Fund characteristics	Long	Short	MSCI USA Index (Net) (USD) <sup>3</sup>
P/E (1-year EPS forecast)	17.95x	54.43x	21.44x
Beta	0.96	1.57	1.00
Median market cap (\$B)	14.44	3.30	29.63
EPS growth (3–5-year forecast)	13.66	10.30	13.79
Dividend yield	1.25	1.63	1.35
Number of holdings	198	120	610

## Fund information

**Advisor:** Allspring Funds Management, LLC

**Sub-Advisor:** Allspring Global Investments, LLC

**Fund inception date:** 3/31/2016

**Distribution frequency:** Annually

**Fiscal year-end:** April 30

**Fund assets (\$M):** 23.49

**Morningstar category:** Long-Short Equity

Share class information	Class inception date	NAV	YTD high-low NAV	Class assets (\$M)
Institutional Shares	3/31/2016	\$8.19	\$8.22/\$7.58	\$22.98
Class A Shares	3/31/2016	\$7.94	\$7.97/\$7.35	\$0.27
Class C Shares	12/16/2022	\$7.87	\$7.90/\$7.30	\$0.03
Class R6 Shares	12/16/2022	\$8.20	\$8.23/\$7.59	\$0.22