

# Managed DSIP Equity Strategy

## BENCHMARK:

S&P 500 Index

## TOP TEN HOLDINGS (%)

Microsoft Corporation	8.45
Apple Inc.	7.28
Lowe's Companies, Inc.	3.86
UnitedHealth Group Incorporated	3.53
Accenture Plc Class A	3.49
JPMorgan Chase & Co.	3.00
Analog Devices, Inc.	2.74
Phillips 66	2.55
Linde plc	2.49
Illinois Tool Works Inc.	2.47

Largest company weights are based on market value of the model portfolio 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

CFA® and Chartered Financial Analyst® are trademarks owned by CFA Institute.

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
Model — Pure Gross <sup>2</sup> (incept 5-1-18)	10.15	13.62	13.62	8.48	13.62	–	11.98
Model — Net <sup>3</sup>	9.32	10.26	10.26	5.28	10.29	–	8.69
S&P 500 Index	11.69	26.29	26.29	10.00	15.69	–	12.89

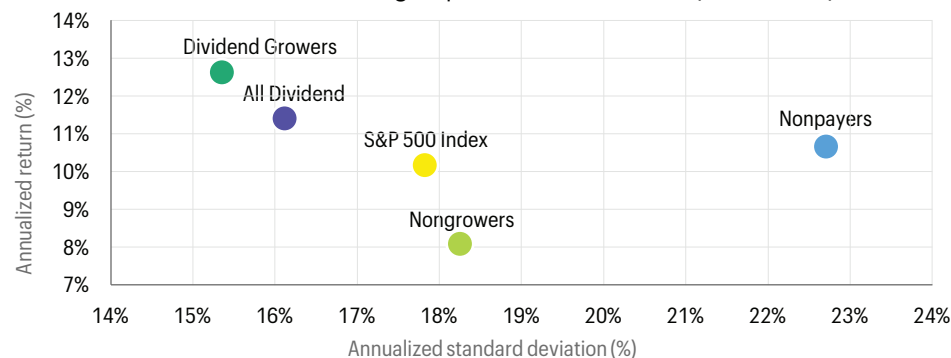
For performance data prior to May 1, 2018, please contact your financial advisor.

Portfolio Characteristics		
Statistic	Portfolio	Benchmark
Dividend Yield	1.97%	1.47%
Price/Book	4.73x	4.48x
P/E (trailing 1-year)	21.66x	24.44x
ROE	26.44%	23.47%
EPS 3-5 Year est	9.69%	13.11%
Historical 5 Yr EPS Growth	13.88%	17.51%
Wtd. Avg. market cap (\$B)	604.49	721.71

Sector Weightings <sup>4</sup> (% equities)		
Sector	Portfolio	Benchmark
Communication services	1.64	8.58
Consumer discretionary	7.27	10.85
Consumer staples	8.15	6.16
Energy	4.91	3.89
Financials	13.06	12.97
Health care	13.16	12.62
Industrials	15.13	8.81
Information technology	23.74	28.86
Materials	4.97	2.41
Real estate	1.08	2.52
Utilities	4.17	2.34
Cash & equivalents	2.71	–

## Dividend growers within the S&P 500 have been superior to non-growers and non-payers

Annualized risk and return for four groups and S&P 500 Index (1991–2022)



FOR INVESTMENT PROFESSIONAL USE ONLY – NOT FOR USE WITH THE PUBLIC

Sector weightings, portfolio characteristics, holdings, and return and risk characteristics are based on a model portfolio.

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.

# Managed DSIP Equity Strategy Disclosure



**Model performance is NOT an indicator of future actual results.** The results are theoretical, reflect performance of a strategy not currently offered to investors and do not represent returns that any investor actually attained. Model performance results have many inherent limitations, some of which are described below. No representation is being made that any account will or is likely to achieve results similar to those shown. In fact, there are frequently sharp differences between model performance results and the actual performance results subsequently achieved by any particular trading program. One of the limitations of model performance results is that they are generally prepared with the benefit of hindsight. In addition, model trading does not involve financial risk, and no model trading record can completely account for the impact of financial risk in actual trading. For example, the ability to withstand losses or to adhere to a particular trading program in spite of trading losses are material points which can also adversely affect actual trading results. There are numerous other factors related to the markets in general or to the implementation of any specific trading program which cannot be fully accounted for in the preparation of model performance results and all of which can adversely affect actual trading results.

Model returns do not reflect transaction costs and non-reclaimable withholding taxes. Results are expressed in US dollars and reflect the reinvestment of dividends and other earnings. Model performance is not inclusive of cash and does not reflect the impact of cash flows. As with any investment vehicle, there is always the potential for gains as well as the possibility of losses.

This strategy is only provided via a non-discretionary model to Sponsors, and as such, Allspring Funds Management does not have a retail SMA performance composite. Performance information shown is not actual performance for any Allspring Funds Management retail SMA performance composite but is related model performance for the strategy managed by our affiliated institutional investment adviser, Allspring Global Investments, which acts as a sub-adviser for the strategy model provided to Sponsors. The performance is being shown solely as supplemental information to help you understand how the strategy has performed. This is not intended as an offer for any Allspring Global Investments institutional composites or accounts.

If your firm (Sponsor) uses this model, actual performance can be obtained from your firm and will differ from the model performance shown. Additionally, this performance information is historical and does not guarantee future results for any SMA or model. Performance is historical and does not guarantee future results. Holdings in individual accounts may vary due to trading constraints and tax implications.

The investment process and limitations described in this presentation are intended as an illustration of the manager's general investment philosophy. Modifications in the Portfolio Construction Guidelines and portfolio limitations are subject to the discretion of the investment manager.

Allspring Managed Account Services (the firm) is a unit within Allspring Global Investments and is responsible for the management and administration of the Allspring Funds Management, LLC, retail separately managed account portfolios (wrap portfolios). Allspring Funds Management acts as a discretionary manager for separately managed accounts ("SMA") and as a non-discretionary model provider in a variety of managed account or wrap fee programs ("MA Programs") sponsored by third party investment advisers, broker-dealers, or other financial services firms (a "Sponsor"). When acting as non-discretionary model provider, Allspring Funds Management responsibility is limited to providing non-discretionary investment recommendations (in the form of model portfolios) to the Sponsor. The Sponsor may use these recommendations in connection with its management of MA Program accounts. In these "model-based" programs, the Sponsor serves as the investment manager and maintains trade implementation responsibility.

Allspring Global Investments™ is the trade name for the asset management firms of Allspring Global Investments Holdings, LLC, a holding company indirectly owned by certain private funds of GTCR LLC and Reverence Capital Partners, L.P. These firms include but are not limited to Allspring Global Investments, LLC, and Allspring Funds Management, LLC. Certain products managed by Allspring entities are distributed by Allspring Funds Distributor, LLC (a broker-dealer and Member FINRA/SIPC). MID-23Q4-MAFS056 01-24