

# Small Core Managed Account

## BENCHMARK

Russell 2000 Index

## PORTFOLIO MANAGEMENT

NAME	POSITION
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## TEN LARGEST COMPANY WEIGHTS (%)

COMPANY	PORTFOLIO
LivaNova PLC	2.9
AngioDynamics, Inc.	2.9
Haemonetics Corporation	2.6
Healthcare Services Group, Inc.	2.1
Essent Group Ltd.	2.0
Planet Fitness, Inc.	1.9
Littelfuse, Inc.	1.8
Herc Holdings Inc.	1.7
SPDR S&P BIOTECH ETF	1.7
Bruker Corporation	1.7
Total	21.4

The largest company weights are based on market value of the model portfolio and are 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.

## INVESTMENT OBJECTIVE

The Small Core SMA pursues small-cap companies that are believed to be mispriced relative to their private market value (PMV), seeking long-term capital appreciation and benchmark outperformance over a full market cycle.

## INVESTMENT APPROACH

- Focus on uncovering quality, undervalued businesses across diverse sectors with the patience to allow theses to play out.
- Leverage PMV as a foundation to assess stocks, with a focus on identifying those trading at a significant discount to their estimated acquisition value.
- Employ bottom-up stock selection with strict discipline to both absolute and relative weights by security and sector.
- Portfolios are constructed with a focus on informed buy and sell decisions, aiming to support the potential for alpha generation.
- Maintain disciplined exit strategies with well-defined parameters for sell decisions.
- Seeks to construct diversified portfolios with the intent to balance exposure to risks and opportunities across various segments of the economy.
- Thoughtful construction ensures proper security weighting, risk management, and long-term value creation.

## PORTFOLIO CONSTRUCTION

The portfolio construction process focuses on conviction in individual securities and diversification across sectors to build resilience. By analyzing PMVs, business models, and management effectiveness, it identifies stable elements that contrast with public market volatility. This disciplined valuation approach is designed to identify potential opportunities for alpha generation while considering the impact of market fluctuations.

## RETURNS (%)

	3 MONTH	YTD	1 YEAR	3 YEAR	5 YEAR	10 YEAR	SINCE INCEPTION
Composite – “Pure” Gross (incept 01-Apr-91)	6.31	6.16	6.16	7.65	4.51	8.69	11.74
Composite – Net	5.50	2.98	2.98	4.42	1.40	5.47	8.45
Benchmark	2.19	12.81	12.81	13.73	6.09	9.62	9.50

All returns for periods greater than one year are annualized. The gross performance data is a “pure” gross of fees return and does not reflect the deduction of any management fees or transaction costs. 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.

**Performance is historical and does not guarantee future results.** The GIPS® composite report can be found at the end of this presentation, including information on net returns. Portfolio statistics are based on a model portfolio. Weights may not add up to 100% due to rounding. The Russell 2000® Index measures the performance of the 2,000 smallest companies in the Russell 3000® Index, which represents approximately 8% of the total market capitalization of the Russell 3000 Index. You cannot invest directly in an index.



**PORTFOLIO CHARACTERISTICS**

	PORTFOLIO	BENCHMARK
Dividend yield	0.9%	1.2%
Price/book	2.0x	2.2x
P/E (trailing 1 year)	34.9x	48.3x
Return on equity (1-year)	3.8%	2.2%
EPS growth (trailing 5-year)	7.0%	9.0%
Weighted average market cap	\$4.8B	\$4.5B

**SECTOR WEIGHTS (%)**

	PORTFOLIO	BENCHMARK
Communication services	-	2.77
Consumer discretionary	10.25	8.92
Consumer staples	1.75	1.84
Energy	1.08	4.80
Financials	17.65	17.75
Health care	23.66	18.74
Industrials	19.53	17.36
Information technology	13.67	14.71
Materials	8.07	4.41
Real estate	4.34	5.68
Utilities	-	3.01

**RISK/RETURN STATISTICS**

STATISTICS (GROSS)	3 YEAR	5 YEAR	10 YEAR
Alpha	-5.67%	-1.28%	-0.73%
Beta	0.95	0.90	0.97
R-squared	0.92	0.89	0.93
Tracking error	5.58%	6.55%	5.47%
Sharpe ratio	0.15	0.07	0.31
Standard deviation	19.50%	18.82%	20.81%

**RISKS**

All investing involves risks, including the possible loss of principal. The values of, and/or the income generated by, securities held by a strategy may decline due to general market conditions or other factors, including those directly involving the issuers of such securities. Securities markets are volatile and may decline significantly in response to adverse issuer, regulatory, political, or economic developments and may be affected by changes in foreign currency exchange rates. Different sectors of the market and different security types may react differently to such developments. Securities of companies with smaller market capitalizations tend to be more volatile and less liquid than those of larger companies.

Portfolio statistics are based on a model portfolio. Weights may not add up to 100% due to rounding.

**Alpha:** Alpha measures the excess return of an investment vehicle relative to the return of its benchmark, given its level of risk. **Beta:** Beta measures fund volatility relative to general market movements. It is a standardized measure of systematic risk in comparison with a specified index. The benchmark beta is 1.00 by definition. **R-squared:** R-squared is a measurement of how similar a fund's historical performance has been to that of the benchmark. The measure ranges from 0.00, which means that the fund's performance bears no relationship to the performance of the index, to 1.00, which means that the fund's performance was perfectly synchronized with the performance of the benchmark. **Sharpe ratio:** Sharpe ratio measures the potential reward offered by a mutual fund relative to its risk level. The ratio uses a fund's standard deviation and its excess return to determine reward per unit of risk. The higher the Sharpe ratio, the better the fund's historical risk-adjusted performance. **Standard deviation:** Standard deviation represents the degree to which an investment's performance has varied from its average performance over a particular time period. Allspring Managed Account Services is a unit within Allspring Global Investments that is responsible for the management and administration of the Allspring Funds Management, LLC, retail separately managed account (SMA) portfolios. Allspring Funds Management acts as a discretionary manager for SMAs 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 (collectively, sponsors). When acting as a non-discretionary model provider, Allspring Funds Management's 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.

The investment strategies described herein are those of Allspring Managed Account Services. These materials are being provided for illustrative and informational purposes only. No assurances can be given that any strategy or objective will be achieved. Separately managed account strategies may not be suitable or appropriate for all investors. The information contained herein is obtained from multiple sources that are believed to be reliable. However, such information has not been verified and may be different from the information included in documents and materials created by the sponsor firm in whose investment program a client participates. Some sponsor firms may require that these Allspring Managed Account Services materials be preceded or accompanied by investment profiles or other documents or materials prepared by such sponsor firms, which will be provided upon a client's request. For additional information, documents, and/or materials, please speak to your financial advisor.

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). Associated with Allspring is Galliard Capital Management, LLC (an investment adviser that is not part of the Allspring trade name/GIPS firm).

## Composite: Small Core Managed Account

Primary Index: Russell 2000® Index

Analysis Date: 31-Dec-25

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)
2025	6.16	2.98	12.81	19.50	19.63	N/A	1	0.1	479,205
2024	5.44	2.28	11.54	21.85	23.30	N/A	1	0.1	458,112
2023	11.44	8.12	16.93	19.61	21.11	N/A	1	0.1	432,838
2022	-16.78	-19.29	-20.44	26.45	26.02	N/A	3	121.5	374,321
2021	20.12	16.62	14.82	25.04	23.35	N/A	3	152.8	483,747
2020	16.41	12.98	19.96	26.75	25.27	N/A	5	940.3	508,914
2019	23.12	19.54	25.52	15.89	15.71	N/A	4	805.7	419,579
2018	-9.38	-12.09	-11.01	15.99	15.79	N/A	5	625.4	371,582
2017	14.88	11.52	14.65	14.12	13.91	N/A	5	720.1	385,111
2016	23.68	20.08	21.31	15.25	15.76	N/A	4	428.4	330,718
1 Year	6.16	2.98	12.81						
5 Years	4.51	1.40	6.09						
10 Years	8.69	5.47	9.62						

Through January 31, 2023, institutional accounts represent 100% of the Composite assets. As of February 1, 2023, wrap accounts represent 100% of the Composite assets.

\*\*"Pure" gross annual returns do not reflect the deduction of any expenses, including trading costs. "Pure" gross returns are supplemental to the net returns. 2015-2022 gross returns are institutional gross returns and reflect the deduction of trading costs.

Source: Allspring Global Investments

### Disclosures

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, 2024. 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 Small Core Managed Account Composite contains accounts investing primarily in the equities of small underfollowed and undervalued companies with market capitalizations between \$100 million and \$3.5 billion. The manager bases their analysis on a company's "private market valuation" – the price an investor would be willing to pay for the entire company given its management, financial health, and growth potential. The manager determines a company's private market valuation based on a fundamental analysis of a company's cash flows, asset valuations, competitive standing, and other factors the manager deems to be relevant to each industry. Investment management is conducted in a bottom-up fashion, driven by fundamental equity research. Individual security selection is the primary determinant of long-term investment results. Cash may be held in modest amounts to manage risk during adverse market conditions. The manager may sell a stock when its price no longer compares favorably with the company's private market valuation. Investment results are measured versus the Russell 2000® Index. The Composite inception date is April 1, 1991; the Composite creation date is February 1, 2023. Through January 31, 2023, institutional accounts represent 100% of the Composite assets. As of February 1, 2023, a non-fee-paying wrap accounts represents 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 pure 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 pure gross Composite returns and the index returns over the preceding 36-month time period.

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.