

# Climate Transition Global High Yield Fund

## A globally diversified portfolio of predominantly high yield credits, designed to balance financial and climate objectives

The fund aims to generate total returns consisting of a high level of current income and capital appreciation whilst investing in a broad range of best-in-class companies transitioning to a lower carbon world, with a portfolio target of net zero by 2050. It seeks to capture transition opportunities across sectors, maintaining a focus on well-underwritten sub-investment-grade credits with disciplined security selection and global relative value as the primary drivers.

<b>Launch date:</b>	06-Jun-23
<b>Type:</b>	UCITS
<b>Asset class:</b>	Fixed income
<b>Regional focus:</b>	Global
<b>Focus:</b>	Total return
<b>Benchmark:</b>	ICE BofA Developed Markets High Yield Constrained Index <sup>1</sup>
<b>SFDR:</b>	Article 8*

\*Promotes environmental and social characteristics but does not have a sustainable investment objective.

## Why invest?



### TRANSITION

- Access the full range of credit opportunities represented by rapid, large-scale decarbonisation and a global, sector-wide transition.
- Capital reallocation to green energy investments is alone expected to average more than US\$2.4 trillion per year through 2050.



### INTEGRATED, EXPERIENCED COVERAGE

- Take advantage of a fully integrated worldwide fixed income offering, balancing global portfolio construction and in-market local coverage.
- Analysts collaborate seamlessly as experts in their region and sector to unlock value across the entire credit universe.
- Portfolio managers have an average of 22 years of experience.



### SUBSTANTIAL, DEDICATED RESOURCE

- Allspring's Climate Transition Framework enables our 53-person strong team of global fixed income analysts to optimise security selection by evaluating more holistically the implications of climate change on sector and company fundamentals.
- Our proprietary ESGiQ (ESG Information Quotient) rating system combines third-party data with analysts' insights, capturing key issues that may be mispriced.

### PORTFOLIO MANAGERS

**Sarah Harrison**  
Senior Portfolio Manager

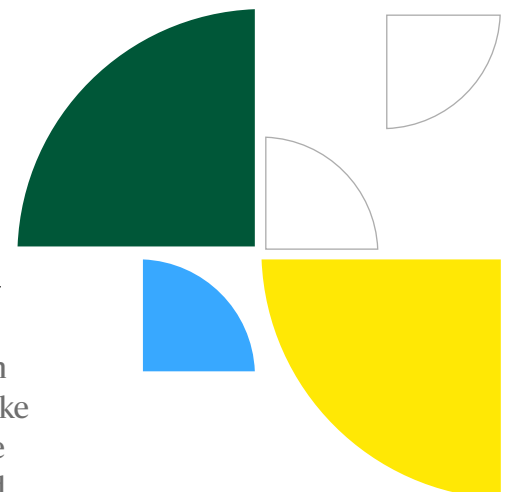
**Chris Lee, CFA**  
Senior Portfolio Manager

**Michael Schueller, CFA**  
Senior Portfolio Manager

**Jens Vanbrabant, CFA**  
Senior Portfolio Manager  
Head of European High Yield

“ High yield credit offers valuable diversification benefits given its low correlation to other sectors of the fixed income landscape, coupled with lower sensitivity to interest rate risk and historical potential for equity-like long-term returns. We also see significant benefits in capturing the huge array of credit opportunities represented by global decarbonisation and the requisite reallocation of capital.

—MICHAEL SCHUELLER





## Our approach



### Alpha generation

We believe there are significant opportunities to generate alpha due to the rapid, large-scale reallocation of capital required to bring about a broad and profound green transition across sectors and geographies.



### Transition, not just exclusions

We prefer to focus on companies' forward transition performance, in the strong belief that some of today's heaviest emitters will be tomorrow's decarbonisation outperformers.



### Early mover advantage

Having initially lagged higher-rated credits, sub-investment-grade markets are moving quickly to adopt ESG-linked issuance structures. This, coupled with wider and more robust data availability, represents a significant and growing opportunity for the yield-seeking investor.

## Sustainable investing

- Our Climate Transition Credit strategies promote environmental characteristics by investing in the debt of companies that we consider to be fundamentally advantaged by decarbonization and aligned to the climate transition, as the goal of the relevant portfolios is to achieve decarbonization over time.
- The **Allspring Climate Transition Framework**, developed by our **Climate Change Working Group**, takes a holistic approach to assessing the impact of climate risks on investment value and is designed to optimise security selection as the economy decarbonises and transitions to more sustainable systems.
- Integration of ESG risks is informed by **Allspring ESGiQ**, a proprietary rating system created to assess ESG risk and materiality by enhancing data from third-party providers with our analysts' in-depth sector knowledge and expertise.
- The fund adheres to a set of "core" exclusions criteria, defined to ensure alignment with market expectations around business activities fundamentally incompatible with investment products that have explicit ESG or sustainability objectives.

## How can we help?

We're committed to thoughtful investing, purposeful planning, and the desire to deliver outcomes that expand above and beyond financial gains. To contact us, please email our Allspring International team at [AllspringInternational@allspringglobal.com](mailto:AllspringInternational@allspringglobal.com).



1. The fund uses the ICE BofA Developed Markets High Yield Constrained Index (USD Hedged) for performance and carbon intensity comparison. The investments of the sub-fund may deviate significantly from the components of and their respective weightings in the benchmark. The benchmark index is not consistent with the environmental or social characteristics promoted by the sub-fund.

### **Objectives and process**

- Seeks total return, consisting of a high level of income and capital appreciation
- Invests two-thirds of its assets in below investment-grade debt securities rated below investment grade of corporate issues domiciled anywhere in the world
- May invest no more than 10% of its net assets in unrated or lowest rated categorised debt securities
- Will hedge non-US\$-denominated investments to the US dollar
- Will target to decarbonise the sub-fund by 2050
- Uses a negative screen to exclude securities issued by companies based on their exposure to ESG risks
- May also use derivatives for hedging, efficient portfolio management or for investment purposes
- Focuses on bottom-up credit research with a focus on well-underwritten credits and relative value
- Seeks to balance income whilst aiming for a competitive yield to drive total returns

### **Fund Risks**

**Debt securities risk:** Debt securities are subject to many factors, including, but not limited to, changes in interest rates and an issuer's ability and willingness to make payments when due.

**Global investment risk:** Securities of certain jurisdictions may be affected by uncertainties such as international political developments, currency fluctuations and other developments in the laws and regulations of countries in which an investment may be made. These may result in rapid and extreme changes in securities prices.

**High yield securities risk:** High yield securities are rated below investment grade, have a higher risk of default and prices may be more volatile than higher-rated securities of similar maturity.

**ESG risk:** Applying an ESG screen for security selection may result in lost opportunity in a security or industry resulting in possible underperformance relative to peers, ESG screens are dependent on third party data and errors in the data may result in the incorrect inclusion or exclusion of a security.

**Convertible Securities Risk:** These instruments can be converted into common stock because of the occurrence of certain predetermined trigger events including when the issuer is in crisis resulting in possible price fluctuations and may be subject to redemption at the election of the issuer.

**Contingent Convertible Bonds Risk:** These instruments can be converted from debt into equity because of the occurrence of certain predetermined trigger events including when the issuer is in crisis resulting in possible price fluctuations and potential liquidity concerns.

**Currency Risk:** Currency exchange rates may fluctuate significantly over short periods of time and can be affected unpredictably by intervention (or the failure to intervene) by relevant governments or central banks, or by currency controls or political developments.

**Leverage Risk:** the use of certain types of financial derivative instruments may create leverage which may increase share price volatility.

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

Not all sub-funds, share classes and currencies are available in all jurisdictions. More information about the Allspring (Lux) Worldwide Fund and its sub-funds (herein, the fund) is available upon request from your regional Allspring Global Investments™ (Allspring) contact or from our website, [www.allspringglobal.com](http://www.allspringglobal.com).

**THIS DOCUMENT AND THE INFORMATION WITHIN DO NOT CONSTITUTE AN OFFER OR SOLICITATION IN ANY JURISDICTION WHERE OR TO ANY PERSON TO WHOM IT WOULD BE UNAUTHORISED OR UNLAWFUL TO DO SO.**

**Investment risks:** your capital may be at risk. **Past performance is not a guarantee or reliable indicator of future results.** Returns may increase or decrease as a result of currency fluctuations. The value, price or income of investments or financial instruments can fall as well as rise. You may not get back the amount originally invested.

This marketing communication is for professional/institutional and qualified clients/investors only. Recipients who do not wish to be treated as professional clients should notify their Allspring contact immediately. This document is not intended as a recommendation to invest in any particular asset class, security or strategy. Regulatory requirements that require impartiality of investment/investment strategy recommendations are therefore not applicable nor are any prohibitions to trade before publication. The information provided is for illustrative purposes only; it should not be relied upon as recommendations to buy or sell securities.

Unless otherwise stated, Allspring is the source of all data; content is provided for informational purposes only. Where individuals or the business have expressed opinions, they are based on current market conditions, they may differ from those of other investment professionals and they are subject to change without notice. Any benchmark referenced is for comparative purposes only, unless specifically referenced otherwise in this material and/or in the prospectus under the sub-funds' Investment Objective and Policy.

**Distribution in the United Kingdom (UK), European Economic Area (EEA), Switzerland and Asia:** Allspring Global Investments (Allspring) is the trade name for the asset management companies of Allspring Global Investments Holdings, LLC, a holding company indirectly owned by certain portfolio companies of GTCR LLC and Reverence Capital Partners, L.P. Allspring includes, but is not limited to, Allspring Global Investments (Singapore) Pte. Ltd.; Allspring Global Investments (Hong Kong) Ltd.; Allspring Global Investments (Japan) Ltd.; Allspring Global Investments (UK) Ltd. (Allspring UK), an investment management company authorised and regulated by the UK Financial Conduct Authority (FCA); and Allspring Luxembourg, authorised and regulated by the Commission de Surveillance du Secteur Financier (CSSF). Allspring Luxembourg has branches in Frankfurt, Paris and Milan and is allowed to provide services on a cross-border basis in the EEA. This material has been approved for distribution in the UK by Allspring UK for the purposes of Section 21 of the Financial Services and Markets Act 2000 (FSMA). Allspring UK does not provide services to retail clients, the FSMA rules for retail clients will not apply and the United Kingdom Financial Services Compensation Scheme is not available. Information does not contain investment advice, an investment recommendation or investment research as defined under FCA regulations or the Markets in Financial Instruments Directive (Directive 2014/65/EU (MiFID II)) and therefore does not comply with the requirements for the provision of such services.

The fund is authorised by the Luxembourg Supervisory Authority as a UCITS SICAV and has been authorised for public distribution only in certain jurisdictions. The management company of the fund, Allspring Global Investments Luxembourg S.A. (Allspring Luxembourg), may appoint sub-distributors (both affiliated and non-affiliated). To formalise the appointment, Allspring Luxembourg enters into sub-distribution, platform, marketing support or equivalent arrangements. Allspring Luxembourg may terminate marketing arrangements. The sub-funds are currently notified for marketing into a number



of EU Member States under the Directive 2009/65/EC (UCITS Directive).

**European investors:** the prospectus, key information documents (KIDs) and key investor information documents (KIIDs) contain detailed information regarding the fund's objectives, risks, fees, expenses and sustainability. Please consider all characteristics and objectives of the fund, not only sustainability aspects, before making any final investment decisions. The fund's privacy policy, the KIDs/KIIDs and a summary of investor rights (available in English) are available on [www.allspringglobal.com](http://www.allspringglobal.com) under Luxembourg UCITS-Related Information and Privacy/Other Policies, and the prospectus can be found within each country-specific page on the website under regulatory documents when selecting relevant investment(s).

The prospectus is available in English, French, German, Italian, Spanish and Portuguese.

The KIDs are available in English, Finnish, French, Danish, Dutch, German, Italian, Norwegian, Spanish, Swedish and Portuguese.

**Important information:** **Austria:** the prospectus, KIDs and other relevant material (such as the annual and semi-annual reports) are available free of charge from the fund's administrator or Austrian paying agent. **Belgium:** the prospectus and the KIDs are available free of charge at the fund's administrator. **Denmark:** the prospectus and the KIDs are available free of charge at the fund's administrator. **France:** this UCITS is managed by Allspring Luxembourg and is licensed and supervised by the CSSF and governed by MiFID II (and any applicable implementing local laws and regulations), its prospectus and its KIDs. If a recipient of this material is not a professional client pursuant to MiFID II, they must return it immediately. This UCITS is notified to the French regulator (the AMF) for marketing purposes only. No regulator or government authority, including the AMF, has reviewed the merits, accuracy or information provided. Allspring Luxembourg has appointed CACEIS Bank France to act as centralising correspondent in France in compliance with Article 41 1-135 of the General Regulations of the AMF. The prospectus, KIDs and any other relevant material (such as the annual and semi-annual reports) are available free of charge at the registered office of the fund, 80 Route d'Esch, L-1420 Luxembourg, or from [www.allspringglobal.com](http://www.allspringglobal.com). Allspring Luxembourg expresses no views as to the suitability of the investments described herein to the individual circumstances of any recipient. Prospective investors shall have the financial ability and willingness to accept the risks with regards to their investment in this UCITS. Allspring Luxembourg does not undertake to guarantee any risk (including capital losses) related to a potential investment in this UCITS. **Finland:** the prospectus and the KIDs are available free of charge at the fund's administrator. **Germany:** the prospectus and the KIDs are available free of charge at Brown Brothers Harriman, 80, Route D'Esch, L-1470 Luxembourg or from [www.allspringglobal.com](http://www.allspringglobal.com). **Ireland:** the prospectus and the KIDs are available free of charge at the fund's administrator. **Italy:** this document is for the exclusive use of professional clients/investors, as defined in article 6, paragraphs 2-quinquies and 2-sexies, of Legislative Decree no. 58/1998 (as amended) by reference to Annex 3 of CONSOB Regulation no. 20307 of 2018, which, at turn, transposes Annex II of MiFID II in Italy with regards to private professional clients. **Luxembourg:** the prospectus, KIDs and any other relevant material (such as the annual and semi-annual reports) are available free of charge at the registered office of the fund, c/o Brown Brothers Harriman (Luxembourg) S.C.A., 80 Route d'Esch, L-1470 Luxembourg, or can be downloaded from [www.allspringglobal.com](http://www.allspringglobal.com). (semi-annual reports are also available in French and German). **The Netherlands:** the fund is registered in the Netherlands in the register kept by the AFM (see [www.afm.nl/register](http://www.afm.nl/register)). The prospectus and the KIDs are available from [www.allspringglobal.com](http://www.allspringglobal.com). **Norway:** the prospectus and the KIDs are available at the fund's administrator. **Portugal:** the prospectus and KIDs are available at the fund's administrator. **Spain:** the fund has been registered with the Securities Market Commission (Comisión Nacional del Mercado de Valores, or CNMV). The prospectus, articles of incorporation and annual and semi-annual reports of the fund are available in English from Spanish-authorised distributors. All Spanish-authorised distributors of the fund are on the website: [www.cnmv.es](http://www.cnmv.es). Allspring Luxembourg has been authorised to render cross-border services in Spain and is registered with the CNMV under no. 715. **Sweden:** historical performance is not a guarantee for future performance. Investments made in the fund may increase as well as decrease in value, and it cannot be guaranteed that your initial investment will be returned in its entirety. **Switzerland:** the information provided herein does not constitute an offer of this UCITS in Switzerland pursuant to the Swiss Federal Law on Financial Services (FinSA) and its implementing ordinance. This is solely an advertisement pursuant to FinSA and its implementing ordinance for this UCITS. Copies of the prospectus, KIDs, the articles of association and the annual and semi-annual reports are available free of charge from the Swiss representative and paying agent: BNP Paribas Securities Services, Paris, succursale de Zurich, Selnaustrasse 16, 8002. **United Kingdom:** the prospectus, KIDs and any other relevant material (including the annual and semi-annual reports) are available free of charge from the fund's administrator.

**Hong Kong investors:** the collective investment scheme offered is authorised under Section 104 of the Securities and Futures Ordinance of Hong Kong (the SFO) by the Securities and Futures Commission of Hong Kong (the SFC). A copy of the prospectus/information memorandum/offering document (as applicable) has been lodged with and authorised by the SFC and may be obtained from the fund's manager or any of its approved distributors. Potential investors should read the prospectus/information memorandum/offering document (as applicable) for details on the relevant fund before deciding whether to subscribe for or purchase units in the fund. The SFC assumes no responsibility for the contents of the prospectus/information memorandum/offering document (as applicable) and makes no representations as to its accuracy or completeness. SFC registration and authorisation do not represent a recommendation or endorsement of the fund, nor do they guarantee the commercial merits of the fund's manager or the fund. They do not mean the fund is suitable for all investors nor do they represent an endorsement of its suitability for any particular investor or class of investors.

**Hong Kong investors (non-registered funds):** for professional investors only. WARNING: this fund is a collective investment scheme but is not authorised under Section 104 of the Securities and Futures Ordinance of Hong Kong (the SFO) by the Securities and Futures Commission of Hong Kong (the SFC) for offer to the public, and its offering documents have not been authorised by the SFC under section 105 of the SFO. Accordingly, the distribution of this material and the placement of units in Hong Kong are restricted. This material may be distributed, circulated or issued only to persons who are "professional investors" (as defined under the SFO or the Securities and Futures (Professional Investor) Rules) and any rules made under that ordinance or as otherwise permitted by the SFO. This document has not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer. No offer to the public to purchase shares of any unregistered sub-fund of the Allspring (Lux) Worldwide Fund will be made in Hong Kong, and this document is intended to be read by the addressee only and must not be passed to, issued to or shown to the public generally. This document is distributed on a confidential basis and may not be reproduced in any form or transmitted to any person other than the person to whom it is addressed. No shares will be issued to any person other than the person to whom this document has been addressed, and no person other than such addressee may treat the same as constituting an invitation for him or her to invest.

FOR PROFESSIONAL INVESTORS ONLY. THIS FUND IS NOT AUTHORISED BY THE SECURITIES AND FUTURES COMMISSION IN HONG KONG AND IS NOT AVAILABLE FOR INVESTMENT BY RETAIL INVESTORS IN HONG KONG. MATERIALS ARE NOT REVIEWED OR APPROVED BY ANY REGULATORY AUTHORITY IN HONG KONG. DO NOT GIVE, SHOW OR QUOTE TO ANY OTHER PERSON. DO NOT DUPLICATE OR REPRODUCE.

**Singapore investors:** for institutional investors only. Neither the Allspring (Lux) Worldwide Fund (the fund) or Allspring Global Investments (Allspring) is making any representation with respect to the eligibility of any recipients of this document to acquire the shares therein under the laws of Singapore. The collective investment scheme offered is a recognised scheme under the Securities and Futures Act. A copy of the prospectus/information memorandum/offering document (as applicable) has been lodged with and registered by the Monetary Authority of Singapore (the authority) and may be obtained from the fund's manager or any of its approved distributors. Potential investors should read the prospectus/information memorandum/offering document (as applicable) for details on the relevant fund before deciding whether to subscribe for or purchase units in the fund. The authority assumes no responsibility for the contents of the prospectus/information memorandum/offering document (as applicable). Registration of the prospectus/information memorandum/offering document (as applicable) by the authority does not imply that the Securities and Futures Act or any other legal or regulatory requirements have been complied with. The authority has not, in any way, considered the investment merits of the collective investment scheme.

**South Korea investors:** for qualified professional investors only. Neither the Allspring (Lux) Worldwide Fund or Allspring is making any representation with respect to the eligibility of any recipients of this document to acquire the shares therein under the laws of Korea, including but without limitation the Foreign Exchange Transaction Act and regulations thereunder. The shares may only be offered to qualified professional investors, as such term is defined under the Financial Investment Services and Capital Markets Act, and none of the shares may be offered, sold or delivered or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to any resident of Korea except pursuant to applicable laws and regulations of Korea.