



# Allspring Utilities and High Income Fund (ERH)

Annual Report

AUGUST 31, 2024

## Managed Distribution Plan

Pursuant to an exemptive order issued by the Securities and Exchange Commission (“Order”), the Fund is authorized to distribute long-term capital gains to shareholders more frequently than once per year. Pursuant to the Order, the Fund’s Board of Trustees approved a Managed Distribution Plan (“MDP”) for the Fund pursuant to which the Fund makes monthly cash distributions to common shareholders, stated in terms of a fixed amount per common share.

The Fund’s Board has adopted a managed distribution plan for the Fund at an annual minimum fixed rate of 7% based on the Fund’s average monthly NAV per share over the prior 12 months. The Fund makes distributions monthly. You should not draw any conclusions about the Fund’s investment performance from the amount of these distributions or from the terms of the MDP. The MDP will be subject to regular periodic review by the Board and the Board may amend or terminate the MDP at any time without prior notice to Fund shareholders. However, at this time there are no reasonably foreseeable circumstances that might cause the termination of the MDP.

The Fund may distribute more than its income and net realized capital gains and, therefore, a portion of your distribution may be a return of capital. A return of capital may occur, for example, when some or all of the money that you invested in the Fund is paid back to you. A return of capital distribution does not necessarily reflect the Fund’s investment performance and should not be confused with ‘yield’ or ‘income’.

With each distribution, the Fund will issue a notice to shareholders and a press release containing information about the amount and sources of the distribution and other related information. The amounts and sources of distributions reported in the notice and press release are only estimates and are not provided for tax reporting purposes. The actual amounts and sources of the amounts for tax reporting purposes will depend upon the Fund’s investment experience during its fiscal year and may be subject to changes based on tax regulations. The Fund will send you a Form 1099-DIV for the calendar year that will tell you how to report these distributions for federal income tax purposes.

## Notice to Shareholders

On November 15, 2023, the Fund announced a renewal of its open-market share repurchase program (the “Buyback Program”). Under the renewed Buyback Program, the Fund may repurchase up to 5% of its outstanding shares in open market transactions during the period beginning on January 1, 2024 and ending on December 31, 2024. The Fund’s Board of Trustees has delegated to Allspring Funds Management, LLC, the Fund’s adviser, discretion to administer the Buyback Program, including the determination of the amount and timing of repurchases in accordance with the best interests of the Fund and subject to applicable legal limitations.

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The views expressed and any forward-looking statements are as of August 31, 2024, unless otherwise noted, and are those of the Fund's portfolio managers and/or Allspring Global Investments. Discussions of individual securities or the markets generally are not intended as individual recommendations. Future events or results may vary significantly from those expressed in any forward-looking statements. The views expressed are subject to change at any time in response to changing circumstances in the market. Allspring Global Investments disclaims any obligation to publicly update or revise any views expressed or forward-looking statements.

## Performance highlights

<b>Investment objective</b>	The Fund seeks a high level of current income and moderate capital growth, with an emphasis on providing tax-advantaged dividend income.
<b>Strategy summary</b>	The Fund allocates its assets between two separate investment strategies, or sleeves. Under normal market conditions, the Fund will allocate approximately 70% of its total assets to a sleeve that places a focus on common, preferred and convertible preferred stocks of utility companies and approximately 30% of its total assets to a sleeve of U.S. dollar denominated below investment grade (high yield) debt.
<b>Adviser</b>	Allspring Funds Management, LLC
<b>Subadviser</b>	Allspring Global Investments, LLC
<b>Portfolio managers</b>	Chris Lee, CFA, Kent Newcomb, CFA, Michael J. Schueller, CFA, Andy Smith, CFA <sup>†</sup>

### AVERAGE ANNUAL TOTAL RETURNS (%) AS OF AUGUST 31, 2024<sup>1</sup>

	1 YEAR	5 YEAR	10 YEAR
Based on market value	20.63	3.69	5.69
Based on net asset value (NAV)	23.00	6.24	6.14
ERH Blended Index (Strategy Benchmark) <sup>2</sup>	21.74	6.78	8.21
Russell 3000 <sup>®</sup> Index (Regulatory Benchmark) <sup>3</sup>	26.14	15.19	12.36

**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 sold, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted, which assumes the reinvestment of dividends and capital gains. Performance figures of the Fund do not reflect brokerage commissions that a shareholder would pay on the purchase and sale of shares. If taxes and such brokerage commissions had been reflected, performance would have been lower. To obtain performance information current to the most recent month-end, please call 1-800-222-8222.**

The Fund's expense ratio for the year ended August 31, 2024, was 2.93% which includes 1.88% of interest expense.

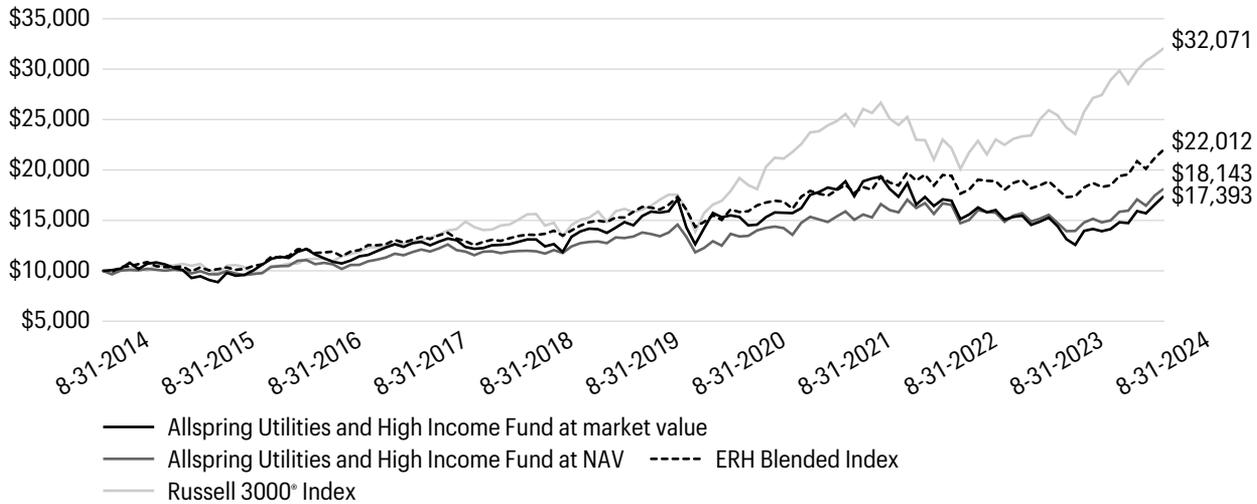
<sup>1</sup> Total returns based on market value are calculated assuming a purchase of common stock on the first day and a sale on the last day of the period reported. Total returns based on NAV are calculated based on the NAV at the beginning of the period and at the end of the period. Dividends and distributions, if any, are assumed for the purposes of these calculations to be reinvested at prices obtained under the Fund's Automatic Dividend Reinvestment Plan.

<sup>2</sup> Source: Allspring Funds Management, LLC. The ERH Blended Index is weighted 70% in the S&P 500 Utilities Index and 30% in the ICE BofA U.S. High Yield Constrained Index. Effective October 15, 2019, the ERH Blended Index changed the high yield component of the index from the ICE BofA U.S. High Yield Index to the ICE BofA U.S. High Yield Constrained Index in order to better match the Fund's investment strategy. Copyright 2024. ICE Data Indices, LLC. All rights reserved. You cannot invest directly in an index.

<sup>3</sup> The Russell 3000<sup>®</sup> Index measures the performance of the 3,000 largest U.S. companies based on total market capitalization, which represents approximately 98% of the investable U.S. equity market. You cannot invest directly in an index.

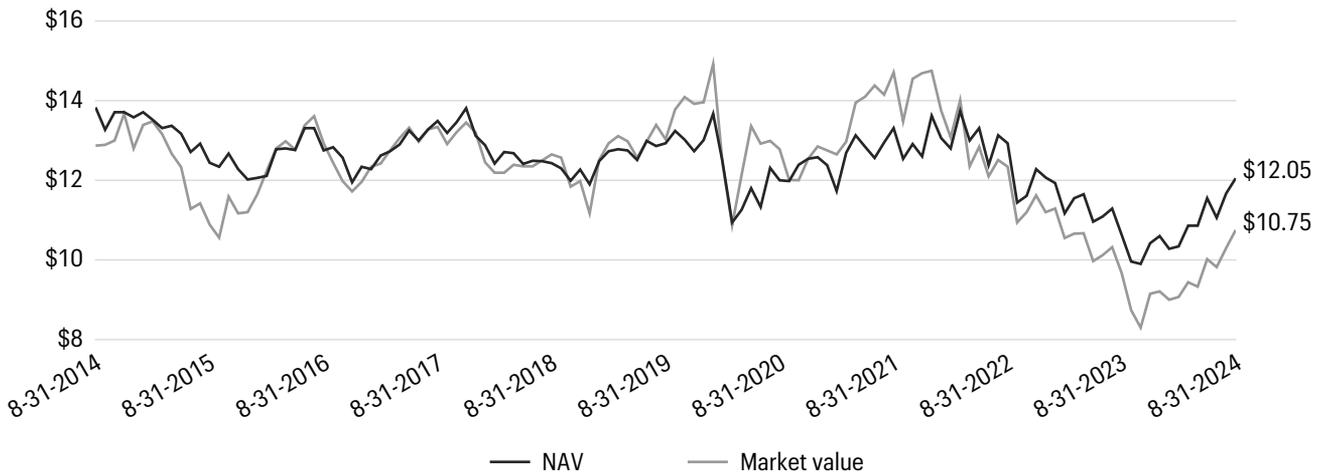
<sup>†</sup> Mr. Smith became a portfolio manager of the Fund on January 24, 2024.  
CFA<sup>®</sup> and Chartered Financial Analyst<sup>®</sup> are trademarks owned by CFA Institute.

GROWTH OF \$10,000 INVESTMENT AS OF AUGUST 31, 2024<sup>1</sup>



<sup>1</sup> The chart compares the performance of the Fund for the most recent ten years with the ERH Blended Index and Russell 3000® Index. The chart assumes a hypothetical investment of \$10,000 investment and reflects all operating expenses of the Fund.

COMPARISON OF NAV VS. MARKET VALUE<sup>1</sup>



<sup>1</sup> This chart does not reflect any brokerage commissions charged on the purchase and sale of the Fund's common stock. Dividends and distributions paid by the Fund are included in the Fund's average annual total returns but have the effect of reducing the Fund's NAV.

## Risk summary

This closed-end fund is no longer available as an initial public offering and is only offered through broker-dealers on the secondary market. A closed-end fund is not required to buy its shares back from investors upon request. Shares of the Fund may trade at either a premium or discount relative to the Fund's net asset value, and there can be no assurance that any discount will decrease. The values of, and/or the income generated by, securities held by the Fund may decline due to general market conditions or other factors, including those directly involving the issuers of such securities. Equity securities fluctuate in value in response to factors specific to the issuer of the security. Debt securities are subject to credit risk and interest rate risk, and high yield securities and unrated securities of similar credit quality have a much greater risk of default and their values tend to be more volatile than higher-rated securities with similar maturities. Funds that concentrate their investments in a single industry or sector may face increased risk of price fluctuation due to adverse developments within that industry or sector. The Fund is also subject to risks associated with any concentration of its investments in the utility sector. The Fund is leveraged through a revolving credit facility and also may incur leverage by issuing preferred shares in the future. The use of leverage results in certain risks, including, among others, the likelihood of greater volatility of net asset value and the market price of common shares. Foreign investments may contain more risk due to the inherent risks associated with changing political climates, foreign market instability, and foreign currency fluctuations. Derivatives involve additional risks, including interest rate risk, credit risk, the risk of improper valuation, and the risk of noncorrelation to the relevant instruments they are designed to hedge or closely track.

More detailed information about the Fund's investment objective, principal investment strategies and the principal risks associated with investing in the Fund can be found on page 8.

## MANAGER'S DISCUSSION

### Overview

The Fund's return based on market value was 20.63% for the 12-month period that ended August 31, 2024. During the same period, the Fund's return based on net asset value (NAV) was 23.00%. The ERH Blended Index returned 21.74% over the same period, so the Fund underperformed based on market value but outperformed based on NAV.

### Utilities trailed the S&P 500 Index\* but performance improved as growth slowed, and rate cuts appeared more likely.

The Fund's equity sleeve benchmark, the S&P 500 Utilities Index,\*\* increased more than 25% for the period, underperforming the S&P 500 Index by less than 2% after lagging by more than 28% in the prior year. Utilities trailed the S&P 500 Index significantly in the first half of the period, as a narrow group of large growth stocks led the market. However, once market sentiment began to reflect a weakening economy and potentially long-awaited interest rate cuts, utilities outperformed, nearly erasing the gap. Another positive for utilities is that forecasts for electricity demand have been rising, driven in part by rapid growth in data centers that require large quantities of electricity.

Utilities could continue to perform well if the economy slows further, in our opinion, given their stable earnings growth. Fundamentals remain strong and the managers continue to expect healthy mid-single-digit percentage earnings and dividend growth going forward. On a price/earnings basis, the S&P 500 Utilities Index is currently trading at a mid-teens percentage discount to the S&P 500 Index versus a 15-year average premium of about 8%.

The equity sleeve managers sold Evergy, Inc., an electric utility that lowered its projected growth rate in the face of a disappointing rate case outcome and higher interest rates. They initiated new positions in Vistra Corp. and The AES Corporation, two utilities that produce unregulated power, AES specializes in renewable power. These stocks could benefit from a projected increase in demand for electricity as well as higher power prices. They also added to positions on weakness in several utilities that operate in states with attractive regulatory constructs. The Fund did not own NRG Energy, Inc., an index stock that outperformed the index and was the largest detractor from relative performance. The managers view it as a lower-quality company with principally unregulated operations, including a growing home services business that the managers do not view as attractive longer-term. The Fund benefited from not owning a couple of other index components, Consolidated Edison, Inc. and PG&E Corporation. One of these operates in a state with significant wildfire risk while the other operates in a state with a difficult regulatory environment.

#### TEN LARGEST HOLDINGS (%) AS OF AUGUST 31, 2024<sup>1</sup>

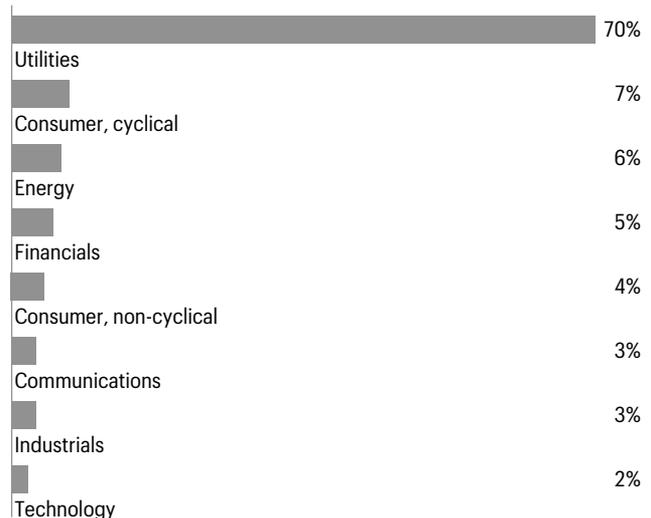
NextEra Energy, Inc.	13.42
Southern Co.	5.84
Sempra Energy	5.37
Constellation Energy Corp.	5.30
American Electric Power Co., Inc.	5.29
Duke Energy Corp.	4.96
DTE Energy Co.	4.21
Public Service Enterprise Group, Inc.	3.76
CMS Energy Corp.	3.71
Atmos Energy Corp.	3.50

<sup>1</sup> Figures represent the percentage of the Fund's net assets. Holdings are subject to change and may have changed since the date specified.

### Equity sleeve outlook: Moderate but consistent growth

The equity sleeve managers continue to see a clear path for moderate yet consistent growth in utility earnings and dividends. This, combined with estimated dividend yields for the sector that exceed the broader market, could provide investors with solid total return potential and below-average volatility. We also consider utilities an important source of downside risk protection within a broader equity portfolio.

#### SECTOR ALLOCATION AS OF AUGUST 31, 2024<sup>1</sup>



<sup>1</sup> Figures represent the percentage of the Fund's long-term investments. Allocations are subject to change and may have changed since the date specified.

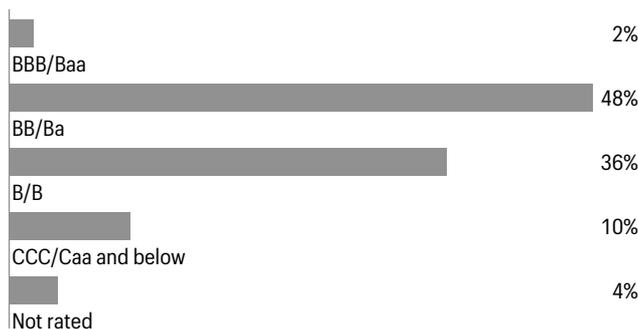
\* The S&P 500 Index consists of 500 stocks chosen for market size, liquidity, and industry group representation. It is a market-value-weighted index with each stock's weight in the index proportionate to its market value. You cannot invest directly in an index.

\*\* The S&P 500 Utilities Index is a market-value-weighted index that measures the performance of all stocks within the utilities sector of the S&P 500 Index. You cannot invest directly in an index.

## The high-income sleeve was managed with an eye on inflation.

Over the past year, U.S. economic growth has remained healthy, rising 3% year over year, while inflation continued to ease. The U.S. Consumer Price Index\* excluding food and energy fell from 4.10% to 3.20% through the 12 months that ended August 31, 2024, as the Federal Reserve (Fed) held the federal funds rate steady at a range of 5.25–5.50%. The Fed is poised to begin its rate cutting cycle, thus resuming a balanced approach to its twin mandate of promoting price stability and maximum employment. The combination of resilient growth and moderating inflation has led to broadly easing financial conditions; low corporate defaults relative to investor expectations; and, ultimately, tighter high yield bond spreads.

CREDIT QUALITY AS OF AUGUST 31, 2024<sup>1</sup>



<sup>1</sup> The credit quality distribution of portfolio holdings reflected in the chart is based on ratings from Standard & Poor's, Moody's Investors Service, and/or Fitch Ratings Ltd. Credit quality ratings apply to the underlying holdings of the Fund and not to the Fund itself. The percentages of the portfolio with the ratings depicted in the chart are calculated based on the market value of fixed income securities held by the Fund. If a security was rated by all three rating agencies, the middle rating was utilized. If rated by two of the three rating agencies, the lower rating was utilized, and if rated by one of the rating agencies, that rating was utilized. Standard & Poor's rates the creditworthiness of bonds, ranging from AAA (highest) to D (lowest). Ratings from A to CCC may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the rating categories. Standard & Poor's rates the creditworthiness of short-term notes from SP-1 (highest) to SP-3 (lowest). Moody's rates the creditworthiness of bonds, ranging from Aaa (highest) to C (lowest). Ratings Aa to B may be modified by the addition of a number 1 (highest) to 3 (lowest) to show relative standing within the ratings categories. Moody's rates the creditworthiness of short-term U.S. tax-exempt municipal securities from MIG 1/VMIG 1 (highest) to SG (lowest). Fitch rates the creditworthiness of bonds, ranging from AAA (highest) to D (lowest). Credit quality distribution is subject to change and may have changed since the date specified.

Security selection has been the focus of portfolio changes and our constant efforts to generate alpha (outperform the market). The high-income sleeve managers focused on companies and sectors that they believe can keep pace with inflation to generate consistent earnings growth and that are prudently financed to weather the pressures of tighter monetary policy and higher costs of borrowing.

The managers increased the Fund's allocation to BB-rated bonds while decreasing CCC-rated holdings over the year. We remained approximately even in yield and spread to the index and slightly shorter in duration. At the

\* The Consumer Price Index (CPI) is a measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services. You cannot invest directly in an index.

\*\* This security was no longer held at the end of the reporting period.

sector level, we increased our allocation to financial services, energy, and health care while trimming media and services.

## The main detractors were a wood pellet manufacturer, health care, and retailers.

The main detractors from performance within the high-income sleeve came from investments in Enviva, a wood pellet producer, and MultiPlan, a health insurer; underweight positions relative to the benchmark in Bausch,\*\* a pharmaceutical company; and not holding retailers Carvana, Rakuten, and Staples.

## The top-contributing sectors were packaging and oil field services.

Top-performing sector contributors within the high-income sleeve included packaging (owning Novolex\*\* but not holding Ardagh) and oil field services (owning Bristow and Oceaneering but not holding Petrofac). Construction and machinery company Werner and debt collection company PRA Group were the sleeve's strongest performers by issuer.

GEOGRAPHIC ALLOCATION AS OF AUGUST 31, 2024<sup>1</sup>



<sup>1</sup> Figures represent the percentage of the Fund's long-term investments. Allocations are subject to change and may have changed since the date specified.

## The high-income outlook is positive.

The high-income sleeve maintains a positive outlook on the high yield market, as we expect economic conditions including moderate growth and inflation trending near 3% will enable the Fed to cut rates and continue facilitating financial conditions that allow levered and stressed companies to access financial markets. Credit metrics have remained stable, with leverage ratios stronger than historical averages and interest coverage ratios trending toward historical medians. Furthermore, the market's concerns earlier in 2024 regarding the 2024–2025 maturity wall have largely been alleviated, as only \$49 billion of 2024–2025 maturities remain. Given the stronger balance sheets and reduced cumulative buildup of aggressive issuance, default rates are expected to peak at a lower level than previously forecast. Tight valuations could pose a challenge for the Fund. However, lower defaults, a greater proportion of mid-cap borrowers over small-cap borrowers, a higher BB-rated bond mix, and shorter duration, could ultimately drive spreads even tighter.

## Leverage had a positive impact on performance.

The Fund's use of leverage through bank borrowings had a positive impact on the NAV total return performance during this reporting period. As of August 31, 2024, the Fund had 21.5% leverage as a percent of total assets.

## Fund distributions

Pursuant to an exemptive order issued by the Securities and Exchange Commission (the "Order"), the Fund is authorized to distribute long-term capital gains to shareholders more frequently than once per year. Pursuant to the Order, the Fund's Board of Trustees approved a managed distribution plan pursuant to which the Fund makes monthly cash distributions to common shareholders. The Fund's managed distribution plan had no effect on the Fund's investment strategy during the year ended August 31, 2024 and is not expected to have such an effect in future periods. If distributions exceed Fund returns, they will cause its NAV per

share to erode. Shareholders should not draw any conclusions about the Fund's investment performance from the amount of its distribution or from the terms of its managed distribution plan. For the year ended August 31, 2024, the Fund's total distributions were \$0.77 per share. The Fund's distributions may be comprised of amounts characterized for federal income tax purposes as qualified and non-qualified ordinary dividends, capital gains and non dividend distributions, also known as return of capital distributions. The federal income tax character of distributions is determined after the end of the calendar year and reported to shareholders on Form 1099-DIV.

# Objective, strategies and risks

## Investment objective

The Fund seeks a high level of current income and moderate capital growth, with an emphasis on providing tax-advantaged dividend income. The Fund's investment objective is a fundamental policy and may not be changed without the approval of a majority of the outstanding voting securities (as defined in the 1940 Act) of the Fund.

## Principal investment strategies

The Fund allocates its assets between two separate investment strategies, or sleeves.

*Equity Sleeve.* Under normal market conditions, the Fund allocates approximately 70% of its total assets to an investment strategy that focuses on common, preferred and convertible preferred stocks of utility companies ("equity sleeve"). Utility companies may include, for example, companies that provide basic services such as water, sewage, and the transmission, generation and distribution of electricity and transmission and distribution of natural gas. The Fund may invest this portion of assets in companies across all market capitalizations.

We focus on dividend-paying companies that we expect to pay and increase dividends consistently. Our process applies a rigorous analytical methodology to all of our investment decisions, which might include the following analyses of a company and its stock: cash flow analysis, debt levels, discipline of company management, relative and absolute valuation levels and dividend yield. In selecting companies, we begin with a screen of a broad universe of equity securities that looks first, but not exclusively, at dividend yield, dividend growth potential, and market capitalization. In addition, a review of company fundamentals, such as valuation, earnings growth, and financial condition, helps the portfolio managers focus on companies with dividends that appear reasonably sustainable with potential for moderate dividend growth. We seek to provide tax-advantaged income by investing in securities that offer qualified dividends and attempt to maintain a low portfolio turnover in order to moderate realized capital gains.

We regularly review the investments of the equity sleeve and may sell a holding when there is deterioration in the underlying fundamentals of the business, dividend growth is no longer expected or there is the possibility of a dividend cut, the stock price reflects full or overvaluation, it has achieved its valuation target or we have identified a more attractive investment opportunity.

*Material Changes During the Fiscal Year ended August 31, 2024:* There were no material changes to the equity sleeve during the fiscal year ended August 31, 2024.

*High Yield Bond Sleeve.* Under normal market conditions, the Fund allocates approximately 30% of its total assets to an investment strategy that focuses on U.S. dollar-denominated below investment-grade bonds, debentures, and other income obligations (often called "high yield" securities or "junk bonds"). We may invest in below investment-grade debt securities of any credit quality. This portion of the Fund invests in high yield securities rated between and including B3 and Ba1 by Moody's or B- and BB+ by S&P or, if unrated, that are deemed by us to be of comparable quality at the time of purchase. This portion of the Fund's portfolio targets securities with a minimum rating of B to BB at the time of purchase and attempts to maintain a weighted average credit quality with respect to the high yield securities of B to BB. This portion of the Fund will not purchase high yield securities with a rating of CCC or below, although the Fund may hold such securities as a result of a downgrade in ratings subsequent to their purchase. No more than 10% of this portion of the Fund's assets may be invested in securities that are rated CCC or below or are unrated.

Securities in the Fund's high yield bond sleeve may be issued by domestic or foreign issuers (including foreign governments), and may include securities of emerging market issuers. The Fund may invest in non-investment-grade securities of any credit quality at the time of purchase.

For purposes of the Fund's credit quality policies, if a security receives different ratings from nationally recognized securities rating organizations, the Fund will use the rating chosen by the portfolio managers as most representative of the security's credit quality. The Fund's high yield securities may have fixed or variable principal payments and all types of interest rate and dividend payment and reset terms, including fixed rate, adjustable rate, contingent, deferred, payment in kind and auction rate features. The Fund's weighted average duration range for high yield U.S. debt securities is six years or less.

The Fund's high yield sleeve is managed following a rigorous investment process that emphasizes both quality and value. The research driven approach includes both a top-down review of macroeconomic factors and intensive, bottom-up scrutiny of individual securities. We consider both broad economic and issuer specific factors in selecting the high yield portfolio. In assessing the appropriate maturity and duration for the Fund's high yield sleeve and the credit quality parameters and weighting objectives for each sector and industry in this portion of the Fund's portfolio, we consider a variety of factors that are expected to influence the economic environment and the dynamics of the high yield market. These factors include fundamental economic indicators, such as interest rate trends, the rates of economic growth and inflation, the performance of equity markets, commodities prices, Federal Reserve monetary policy and the relative value of the U.S. dollar compared to other currencies. Once we determine the preferable portfolio characteristics, we conduct further evaluation to determine capacity and inventory levels in each targeted industry. We also identify any circumstances that may lead to improved business conditions, thus increasing the attractiveness of a particular industry. We select individual securities based upon the terms of the securities (such as yields compared to U.S. Treasuries or comparable issues), liquidity, rating, sector and issuer diversification. We also employ due

diligence and fundamental research to assess an issuer's credit quality, taking into account financial condition and profitability, future capital needs, potential for change in rating, industry outlook, the competitive environment and management ability.

The analysis of issuers may include, among other things, historic and current financial conditions, current and anticipated cash flow and borrowing requirements, value of assets in relation to historical costs, strength of management, responsiveness to business conditions, credit standing, the company's leverage versus industry norms and current and anticipated results of operations. While we consider as one factor in our credit analysis the ratings assigned by the rating services, we perform our own independent credit analysis of issuers.

In making decisions for the high yield sleeve, we rely on the knowledge, experience and judgment of our team who have access to a wide variety of research. We apply a strict sell discipline, which is as important as purchase criteria in determining the performance of this portion of this portfolio. We routinely meet to review profitability outlooks and discuss any deteriorating business fundamentals, as well as consider changes in equity valuations and market perceptions before selling securities.

In other than normal market conditions, when changing economic conditions and other factors cause the yield difference between lower rated and higher rated securities to narrow, the high yield bond sleeve may purchase higher rated U.S. debt instruments if we believe that the risk of loss of income and principal may be reduced substantially with only a relatively small reduction in yield.

We regularly review the investments of the portfolio and may sell a portfolio holding when it has achieved its valuation target, there is deterioration in the underlying fundamentals of the business, or we have identified a more attractive investment opportunity.

*Material Changes During the Fiscal Year ended August 31, 2024:* There were no material changes to the high yield sleeve during the fiscal year ended August 31, 2024.

*The Fund's Overall Portfolio.* We monitor the weighting of each investment strategy within the Fund's portfolio on an ongoing basis and rebalance the Fund's assets when we determine that such a rebalancing is necessary to align the portfolio in accordance with the investment strategies described above. From time to time, we may make adjustments to the weighting of each investment strategy. Such adjustments would be based on our review and consideration of the expected returns for each investment strategy and would factor in the stock, bond and money markets, interest rate and corporate earnings growth trends, and economic conditions which support changing investment opportunities.

The Fund may invest up to 25% of its total assets in foreign securities.

The investment policies of the Fund described above are non-fundamental and may be changed by the Board of Trustees of the Fund so long as shareholders are provided with at least 60 days prior written notice of any change to the extent required by the rules under the 1940 Act.

## Other investment techniques and strategies

*Foreign Currency Transactions.* The Fund may engage in foreign currency transactions for the purpose of hedging against foreign exchange risk arising from the Fund's investment or anticipated investment in securities denominated in foreign currencies. The Fund also may enter into these contracts for purposes of increasing exposure to a foreign currency or to shift exposure to foreign currency fluctuations from one country to another.

*Preferred Shares.* The Fund may invest in preferred shares. Preferred shares are equity securities, but they have many characteristics of fixed income securities, such as a fixed dividend payment rate and/or a liquidity preference over the issuer's common shares. However, because preferred shares are equity securities, they may be more susceptible to risks traditionally associated with equity investments than the Fund's fixed income securities.

*Loans.* The Fund may invest in direct debt instruments which are interests in amounts owed to lenders by corporate or other borrowers. The Fund may invest up to 10% of its total assets in corporate loans. The loans in which the Fund invests primarily consist of direct obligations of a borrower. The Fund may invest in a loan at origination as a co-lender or by acquiring in the secondary market participations in, assignments of or novations of a corporate loan. By purchasing a participation, the Fund acquires some or all of the interest of a bank or other lending institution in a loan to a borrower. The participations typically will result in the Fund having a contractual relationship only with the lender, not the borrower. The Fund will have the right to receive payments of principal, interest and any fees to which it is entitled only from the lender selling the participation and only upon receipt by the lender of the payments from the borrower. Many such loans are secured, although some may be unsecured. Loans that are fully secured offer the Fund more protection than an unsecured loan in the event of non-payment of scheduled interest or principal. However, there is no assurance that the liquidation of collateral from a secured loan would satisfy the corporate borrower's obligation, or that the collateral can be liquidated. Direct debt instruments may involve a risk of loss in case of default or insolvency of the borrower and may offer less legal protection to the Fund in the event of fraud or misrepresentation. In addition, loan participations involve a risk of insolvency of the lending bank or other financial intermediary. The markets in loans are not regulated by federal securities laws or the U.S. Securities and Exchange Commission.

*Structured Securities.* The Fund may invest in structured securities. The value of the principal and/or interest on such securities is determined by reference to changes in the value of specific currencies, interest rates, commodities, indices or other financial indicators ("Reference") or the relative change in two or more References. The interest rate or the principal amount payable upon maturity or redemption may be increased or decreased depending upon changes in the Reference. The terms of the structured securities may provide in certain circumstances that no principal is due at

maturity and, therefore, may result in a loss of the Fund's investment. Changes in the interest rate or principal payable at maturity may be a multiple of the changes in the value of the Reference. Consequently, structured securities may entail a greater degree of market risk than other types of fixed income securities.

*U.S. Government Securities.* The Fund may invest in U.S. government securities, including debt securities issued or guaranteed by the U.S. Treasury, U.S. Government agencies or government-sponsored entities. These securities may have fixed, floating or variable rate and also include mortgage-backed securities.

*Other Investment Companies.* The Fund may invest in other investment companies to the extent permitted under the Investment Company Act of 1940, as amended, and the rules, regulations, and exemptive orders thereunder. The Fund, as a holder of the securities of other investment companies, will bear its pro rata portion of the other investment companies' expenses, including advisory fees. These expenses are in addition to the direct expenses of the Fund's own operations.

*Defensive and Temporary Investments.* Under unusual market or economic conditions or for temporary defensive purposes, the Fund may invest up to 100% of its total assets in securities issued or guaranteed by the U.S. government or its instrumentalities or agencies, certificates of deposit, bankers' acceptances and other bank obligations, commercial paper rated in the highest category by a nationally recognized statistical rating organization or other fixed income securities deemed by us to be consistent with a defensive posture, or may hold cash. To the extent the Fund implements defensive strategies, it may be unable to achieve its investment objective.

*Derivatives.* The Fund may purchase and sell derivative instruments such as exchange-listed and over-the-counter put and call options on securities, financial futures, equity, fixed-income and interest rate indices, and other financial instruments, purchase and sell financial futures contracts and options thereon, and enter into various interest rate transactions such as swaps, caps, floors or collars. The Fund also may purchase derivative instruments that combine features of these instruments. Collectively, all of the above are referred to as "derivatives." The Fund generally seeks to use derivatives as a portfolio management or hedging technique to seek to protect against possible adverse changes in the market value of securities held in or to be purchased for the Fund's portfolio, protect the value of the Fund's portfolio, facilitate the sale of certain securities for investment purposes, manage the effective interest rate exposure of the Fund, manage the effective maturity or duration of the Fund's portfolio, or establish positions in the derivatives markets as a temporary substitute for purchasing or selling particular securities. The Fund may invest up to 10% of its total assets in futures and options on securities and indices and in other derivatives. In addition, the Fund may enter into interest rate swap transactions with respect to the total amount the Fund is leveraged in order to hedge against adverse changes in interest rates affecting dividends payable on any preferred shares or interest payable on borrowings constituting leverage. In connection with any such swap transaction, the Fund will segregate liquid securities in the amount of its obligations under the transaction. The Fund generally does not anticipate using derivatives for non-hedging purposes, but in the event we use derivatives for non-hedging purposes, no more than 10% of the Fund's total assets will be committed to initial margin for derivatives for such purposes.

*Repurchase Agreements.* The Fund may enter into repurchase agreements with broker-dealers, member banks of the Federal Reserve System and other financial institutions. Repurchase agreements are arrangements under which the Fund purchases securities and the seller agrees to repurchase the securities within a specific time and at a specific price. We review and monitor the creditworthiness of any institution which enters into a repurchase agreement with the Fund. The counterparty's obligations under the repurchase agreement are collateralized with U.S. Treasury and/or agency obligations with a market value of not less than 100% of the obligations, valued daily. Collateral is held by the Fund's custodian in a segregated, safekeeping account for the benefit of the Fund. Repurchase agreements afford the Fund an opportunity to earn income on temporarily available cash at low risk. In the event that the counterparty to a repurchase agreement is unwilling or unable to fulfill its contractual obligations to repurchase the underlying security, the Fund may lose money, suffer delays, or incur costs arising from holding or selling the underlying security.

*Portfolio Turnover.* It is the policy of the Fund not to engage in trading for short-term profits although portfolio turnover is not considered a limiting factor in the execution of investment decisions for the Fund.

*Leverage.* The Fund may borrow money from banks or financial institutions. Although it has no current intention to do so, the Fund also reserves the flexibility to issue preferred shares and debt securities for leveraging purposes. The Fund also may borrow money as a temporary measure for extraordinary or emergency purposes, including the payment of dividends and the settlement of securities transactions which otherwise might require untimely dispositions of the Fund's holdings. The Fund will not borrow or issue preferred shares if, immediately after such borrowing or issuance, total leverage for the Fund exceeds 38% of the Fund's total assets. The Fund may also borrow through reverse repurchase agreements (up to 20% of its total assets). Reverse repurchase agreements involve the sale of a security by the Fund to another party (generally a bank or dealer) in return for cash and an agreement by the Fund to buy the security back at a specified price and time. When the Fund leverages its assets, the fees paid to us for investment advisory and management services will be higher than if the Fund did not leverage because our fees are calculated based on the Fund's total assets including the proceeds of the issuance of preferred shares or any other amounts representing leverage. Consequently, the Fund's investment adviser may have differing interests than the Fund in determining whether to leverage the Fund's assets. The Board of Trustees monitors this potential conflict.

## Principal risks

An investment in the Fund may lose money, is not a deposit of a bank, is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency, and is primarily subject to the risks briefly summarized below.

*Market Risk.* The values of, and/or the income generated by, securities held by a Fund 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. Different sectors of the market and different security types may react differently to such developments. Political, geopolitical, natural and other events, including war, terrorism, trade disputes, government shutdowns, market closures, inflation, natural and environmental disasters, epidemics, pandemics and other public health crises and related events have led, and in the future may lead, to economic uncertainty, decreased economic activity, increased market volatility and other disruptive effects on U.S. and global economies and markets. Such events may have significant adverse direct or indirect effects on a Fund and its investments. In addition, economies and financial markets throughout the world are becoming increasingly interconnected, which increases the likelihood that events or conditions in one country or region will adversely impact markets or issuers in other countries or regions.

*Equity Securities Risk.* The values of equity securities may experience periods of substantial price volatility and may decline significantly over short time periods. In general, the values of equity securities are more volatile than those of debt securities. Equity securities fluctuate in value and price in response to factors specific to the issuer of the security, such as management performance, financial condition, and market demand for the issuer's products or services, as well as factors unrelated to the fundamental condition of the issuer, including general market, economic and political conditions. Investing in equity securities poses risks specific to an issuer, as well as to the particular type of company issuing the equity securities. For example, investing in the equity securities of small- or mid-capitalization companies can involve greater risk than is customarily associated with investing in stocks of larger, more-established companies. Different parts of a market, industry and sector may react differently to adverse issuer, market, regulatory, political, and economic developments. Negative news or a poor outlook for a particular industry or sector can cause the share prices of securities of companies in that industry or sector to decline. This risk may be heightened for a Fund that invests a substantial portion of its assets in a particular industry or sector.

*Utility Securities Risk.* Investments in utility sectors include the unique risks associated with decreases in the demand for utility company products and services, increased competition resulting from deregulation, and rising energy costs, among others. Such developments also could cause utility companies such as water, gas and electric companies, to reduce the dividends they pay on their stock, potentially decreasing the dividends you receive from the Fund. Water, gas and electric companies typically borrow heavily to support continuing operations. Increases in interest rates could increase these utility companies' borrowing costs, which could adversely impact their financial results and stock price, and ultimately the value of and total return on your Fund shares.

*Industry Concentration Risk.* A Fund that concentrates its investments in an industry or group of industries is more vulnerable to adverse market, economic, regulatory, political or other developments affecting such industry or group of industries than a fund that invests its assets more broadly.

*Debt Securities Risk.* Debt securities are subject to credit risk and interest rate risk. Credit risk is the possibility that the issuer or guarantor of a debt security may be unable, or perceived to be unable or unwilling, to pay interest or repay principal when they become due. In these instances, the value of an investment could decline and the Fund could lose money. Credit risk increases as an issuer's credit quality or financial strength declines. The credit quality of a debt security may deteriorate rapidly and cause significant deterioration in the Fund's net asset value. Interest rate risk is the possibility that interest rates will change over time. When interest rates rise, the value of debt securities tends to fall. The longer the terms of the debt securities held by a Fund, the more the Fund is subject to this risk. If interest rates decline, interest that the Fund is able to earn on its investments in debt securities may also decline, which could cause the Fund to reduce the dividends it pays to shareholders, but the value of those securities may increase. Some debt securities give the issuers the option to call, redeem or prepay the securities before their maturity dates. If an issuer calls, redeems or prepays a debt security during a time of declining interest rates, the Fund might have to reinvest the proceeds in a security offering a lower yield, and therefore might not benefit from any increase in value as a result of declining interest rates. Very low or negative interest rates may magnify interest rate risk. Changing interest rates, including rates that fall below zero, may have unpredictable effects on markets, may result in heightened market volatility and may detract from Fund performance to the extent the Fund is exposed to such interest rates. Interest rate changes and their impact on the Fund and its share price can be sudden and unpredictable. Changes in market conditions and government policies may lead to periods of heightened volatility in the debt securities market, reduced liquidity Fund investments and an increase in Fund redemptions.

*High Yield Securities Risk.* High yield securities and unrated securities of similar credit quality (commonly known as "junk bonds") are considered speculative and have a much greater risk of default (or in the case of bonds currently in default, of not returning principal) and their values tend to be more volatile than higher-rated securities with similar maturities. Additionally, these securities tend to be less liquid and more difficult to value than higher-rated securities.

*Leverage Risk.* The use of leverage through the issuance of preferred shares and/or debt securities, or from borrowing money, may result in certain risks to the Fund. Leveraging is a speculative technique, and there are special risks involved, including the risk that downside outcomes for common shareholders are magnified as a result of losses and declines in value of portfolio securities purchased with borrowed money. In addition, the costs of the financial leverage may exceed the income from investments made with such leverage, interest rates or dividends payable on the financial leverage may affect the yield and distributions to the common shareholders, and the net asset value and market value of common shares may be more volatile than if the Fund had not been leveraged. The use of leverage may cause the Fund to have to liquidate portfolio positions when it may not be advantageous to do so. There can be no assurance that any leveraging strategies will be successful.

Certain transactions, such as derivatives, also may give rise to a form of economic leverage. Because many derivatives have a leverage component (i.e.,

a notional value in excess of the assets needed to establish and/or maintain the derivative position), adverse changes in the value or level of the underlying asset, rate or index may result in a loss substantially greater than the amount invested in the derivative itself.

*Anti-takeover Provisions Risk.* The Fund's Agreement and Declaration of Trust and By-laws include provisions that could limit the ability of other entities or persons to acquire control of the Fund or to change the composition of its Board of Trustees. Such provisions could limit the ability of shareholders to sell their shares at a premium over prevailing market prices by discouraging a third party from seeking to obtain control of the Fund. These provisions include staggered terms of office for the Trustees, advance notice requirements for shareholder proposals, and supermajority voting requirements for open-ending the Fund or a merger, liquidation, asset sale or similar transactions.

*Closed-end Fund Risk.* Closed-end funds involve investment risks different from those associated with other investment companies. Shares of closed-end funds frequently trade at either a premium or discount relative to their net asset value ("NAV"). There can be no assurance that the discount will decrease. It is possible that a market discount may increase and the Fund may suffer realized or unrealized capital losses due to further decline in the market price of the securities held by the Fund, thereby adversely affecting the NAV of the Fund's shares. Similarly, there can be no assurance that the Fund's shares will trade at a premium, will continue to trade at a premium or that the premium will not decrease over time. The Fund's shares are designed primarily for long-term investors, and the Fund should not be viewed as a vehicle for short-term trading purposes.

*Convertible Securities Risk.* A convertible security has characteristics of both equity and debt securities and, as a result, is exposed to risks that are typically associated with both types of securities. The market value of a convertible security tends to decline as interest rates increase but also tends to reflect changes in the market price of the common stock of the issuing company. A convertible security is also exposed to the risk that an issuer is unable to meet its obligation to make dividend or interest and principal payments when due as a result of changing financial or market conditions. In the event of a liquidation of the issuer, holders of a convertible security would generally be paid only after holders of any senior debt obligations. A Fund may be forced to convert a convertible security before it would otherwise choose to do so, which may decrease the Fund's return.

*Derivatives Risk.* The use of derivatives, such as futures, options and swap agreements, presents risks different from, and possibly greater than, the risks associated with investing directly in traditional securities. The use of derivatives can lead to losses because of adverse movements in the price or value of the derivatives' underlying assets, indexes or rates and the derivatives themselves, which may be magnified by certain features of the derivatives. These risks are heightened when derivatives are used to enhance a Fund's return or as a substitute for a position or security, rather than solely to hedge (or mitigate) the risk of a position or security held by the Fund. The success of a derivative strategy will be affected by the portfolio manager's ability to assess and predict market or economic developments and their impact on the derivatives' underlying assets, indexes or reference rates, as well as the derivatives themselves. Certain derivative instruments may become illiquid and, as a result, may be difficult to sell when the portfolio manager believes it would be appropriate to do so. Certain derivatives create leverage, which can magnify the impact of a decline in the value of their underlying assets, indexes or reference rates, and increase the volatility of the Fund's net asset value. Certain derivatives (e.g., over-the-counter swaps) are also subject to the risk that the counterparty to the derivative contract will be unwilling or unable to fulfill its contractual obligations, which may cause a Fund to lose money, suffer delays or incur costs arising from holding or selling an underlying asset. Changes in laws or regulations may make the use of derivatives more costly, may limit the availability of derivatives, or may otherwise adversely affect the use, value or performance of derivatives.

*Foreign Currency Risk.* The Fund may invest in non-dollar-denominated investments. The Fund may be limited in its ability to hedge the value of its non-dollar denominated investments against currency fluctuations. As a result, a decline in the value of currencies in which the Fund's investments are denominated against the dollar will result in a corresponding decline in the dollar value of the Fund's assets. These declines will in turn affect the Fund's income and net asset value.

*Foreign Investment Risk.* Foreign investments may be subject to lower liquidity, greater price volatility and risks related to adverse political, regulatory, market or economic developments. Foreign companies may be subject to significantly higher levels of taxation than U.S. companies, including potentially confiscatory levels of taxation, thereby reducing the earnings potential of such foreign companies. Foreign investments may involve exposure to changes in foreign currency exchange rates. Such changes may reduce the U.S. dollar value of the investments. Foreign investments may be subject to additional risks, such as potentially higher withholding and other taxes, and may also be subject to greater trade settlement, custodial, and other operational risks than domestic investments. Certain foreign markets may also be characterized by less stringent investor protection and disclosure standards.

*Growth/Value Investing Risk.* Securities that exhibit certain characteristics, such as growth characteristics or value characteristics, tend to perform differently and shift into and out of favor with investors depending on changes in market and economic sentiment and conditions. As a result, a Fund's performance may at times be worse than the performance of other mutual funds that invest more broadly or in securities that exhibit different characteristics.

*Investment Risk.* An investment in the Fund is subject to investment risk, including the possible loss of the entire principal amount that you invest. Your investment in the Fund represents an indirect investment in the securities owned by the Fund. The value of these securities may increase or decrease, at times rapidly and unexpectedly. Your investment in the Fund may at any point in the future be worth less than your original investment even after taking into account the reinvestment of dividends and distributions.

*Issuer Risk.* The value of corporate income-producing securities may decline for a number of reasons which directly relate to the issuer, such as management performance, financial leverage and reduced demand for the issuer's goods and services.

*Loan Risk.* Loans may be unrated, less liquid and more difficult to value than traditional debt securities. Loans may be made to finance highly leveraged corporate operations or acquisitions. The highly leveraged capital structure of the borrowers in such transactions may make such loans especially vulnerable to adverse changes in financial, economic or market conditions. Loans generally are subject to restrictions on transfer, and only limited opportunities may exist to sell such loans in secondary markets. As a result, a Fund may be unable to sell loans at a desired time or price. If the Fund acquires only an assignment or a participation in a loan made by a third party, the Fund may not be able to control amendments, waivers or the exercise of any remedies that a lender would have under a direct loan and may assume liability as a lender.

*Market Capitalization Risk.* The Fund may invest the portion of its assets invested in utility securities in securities of companies of all market capitalizations. Stocks fall into three broad market capitalization categories—large, medium and small. Investing primarily in one category carries the risk that due to current market conditions that category may be out of favor with investors. If valuations of large capitalization companies appear to be greatly out of proportion to the valuations of small or medium capitalization companies, investors may migrate to the stocks of small- and mid-sized companies causing a fund that invests in these companies to increase in value more rapidly than a fund that invests in larger, fully-valued companies. Investing in medium and small capitalization companies may be subject to special risks associated with narrower product lines, more limited financial resources, smaller management groups or greater dependence on a few key employees, and a more limited trading market for their stocks as compared to larger capitalization companies. As a result, stocks of small and medium capitalization companies may decline significantly in market downturns or their value may fluctuate more sharply than other securities.

*Market Price of Shares Risk.* Whether investors will realize a gain or loss upon the sale of the Fund's common shares will depend upon whether the market value of the shares at the time of sale is above or below the price the investor paid, taking into account transaction costs, for the shares and is not directly dependent upon the Fund's net asset value. Because the market value of the Fund's shares will be determined by factors such as the relative demand for and supply of the shares in the market, general market conditions and other factors beyond the control of the Fund, the Fund cannot predict whether its common shares will trade at, below or above net asset value, or below or above the initial offering price for the shares.

*Preferred Stock Risk.* The Fund may purchase preferred stock. Preferred stock, unlike common stock, has a stated dividend rate payable from the corporation's earnings. Preferred stock dividends may be cumulative or non-cumulative, participating, or auction rate. "Cumulative" dividend provisions require all or a portion of prior unpaid dividends to be paid. If interest rates rise, the fixed dividend on preferred stocks may be less attractive, causing the price of preferred stocks to decline. Preferred stock may have mandatory sinking fund provisions, as well as call/redemption provisions prior to maturity, which can be a negative feature when interest rates decline. The rights of preferred stock on distribution of a corporation's assets in the event of a liquidation are generally subordinate to the rights associated with a corporation's debt securities.

## Portfolio of investments

	INTEREST RATE	MATURITY DATE	PRINCIPAL	VALUE
<b>Asset-backed securities: 0.04%</b>				
Frontier Issuer LLC Series 2024-1 Class C 144A	11.16%	6-20-2054	\$ 45,000	\$ 46,292
<b>Total asset-backed securities (Cost \$45,000)</b>				<b>46,292</b>
			SHARES	
<b>Common stocks: 85.92%</b>				
<b>Communication services: 0.00%</b>				
<b>Diversified telecommunication services: 0.00%</b>				
Intelsat Emergence SA ♦†			9	0
<b>Utilities: 85.91%</b>				
<b>Electric utilities: 49.07%</b>				
Alliant Energy Corp.			45,424	2,646,856
American Electric Power Co., Inc.			57,353	5,751,359
Constellation Energy Corp.			29,257	5,754,852
Duke Energy Corp.			47,276	5,387,100
Entergy Corp.			22,292	2,690,421
Eversource Energy			22,708	1,533,471
Exelon Corp.			98,588	3,755,217
FirstEnergy Corp.			59,028	2,592,510
NextEra Energy, Inc.			181,090	14,579,556
Southern Co.			73,408	6,342,451
Xcel Energy, Inc.			37,329	2,285,655
				<b>53,319,448</b>
<b>Gas utilities: 3.50%</b>				
Atmos Energy Corp.			29,092	<b>3,803,488</b>
<b>Independent power and renewable electricity producers: 2.43%</b>				
AES Corp.			59,085	1,012,126
Vistra Corp.			19,060	1,628,296
				<b>2,640,422</b>
<b>Multi-utilities: 28.01%</b>				
Ameren Corp.			41,563	3,429,363
CenterPoint Energy, Inc.			103,727	2,831,747
CMS Energy Corp.			59,487	4,036,788
Dominion Energy, Inc.			53,517	2,991,600
DTE Energy Co.			36,603	4,576,107
Public Service Enterprise Group, Inc.			50,674	4,091,926
Sempra Energy			70,955	5,831,082
WEC Energy Group, Inc.			28,511	2,652,378
				<b>30,440,991</b>
<b>Water utilities: 2.90%</b>				
American Water Works Co., Inc.			22,022	<b>3,151,789</b>

			SHARES	VALUE
<b>Investment Companies: 0.01%</b>				
Resolute Topco, Inc. ‡†			2,068	\$ 9,306
<b>Total common stocks (Cost \$71,482,725)</b>				<b>93,365,444</b>
	INTEREST RATE	MATURITY DATE	PRINCIPAL	
<b>Corporate bonds and notes: 32.32%</b>				
<b>Basic materials: 0.15%</b>				
<b>Chemicals: 0.15%</b>				
SCIH Salt Holdings, Inc. 144A	6.63%	5-1-2029	\$ 165,000	<b>157,901</b>
<b>Communications: 3.61%</b>				
<b>Advertising: 0.54%</b>				
Clear Channel Outdoor Holdings, Inc. 144A	7.50	6-1-2029	150,000	126,483
Clear Channel Outdoor Holdings, Inc. 144A	9.00	9-15-2028	150,000	159,445
Outfront Media Capital LLC/Outfront Media Capital Corp. 144A	4.63	3-15-2030	135,000	126,572
Outfront Media Capital LLC/Outfront Media Capital Corp. 144A	7.38	2-15-2031	170,000	180,692
				<b>593,192</b>
<b>Internet: 0.76%</b>				
Arches Buyer, Inc. 144A	4.25	6-1-2028	125,000	114,223
Arches Buyer, Inc. 144A	6.13	12-1-2028	135,000	114,566
Cablevision Lightpath LLC 144A	3.88	9-15-2027	135,000	126,696
Cablevision Lightpath LLC 144A	5.63	9-15-2028	130,000	117,862
Match Group Holdings II LLC 144A	5.63	2-15-2029	355,000	354,156
				<b>827,503</b>
<b>Media: 1.72%</b>				
CCO Holdings LLC/CCO Holdings Capital Corp. 144A	4.25	1-15-2034	345,000	278,212
CCO Holdings LLC/CCO Holdings Capital Corp. 144A	4.50	8-15-2030	450,000	401,313
CCO Holdings LLC/CCO Holdings Capital Corp.	4.50	5-1-2032	50,000	42,693
CCO Holdings LLC/CCO Holdings Capital Corp. 144A	5.00	2-1-2028	25,000	24,090
CSC Holdings LLC 144A	3.38	2-15-2031	140,000	90,026
CSC Holdings LLC 144A	5.50	4-15-2027	100,000	81,589
Directv Financing LLC/Directv Financing Co-Obligor, Inc. 144A	5.88	8-15-2027	90,000	87,148
DISH Network Corp. 144A	11.75	11-15-2027	135,000	137,263
Nexstar Media, Inc. 144A	5.63	7-15-2027	125,000	122,151
Paramount Global (3 Month LIBOR +3.90%) ±	6.25	2-28-2057	50,000	43,168
Scripps Escrow II, Inc. 144A	5.38	1-15-2031	235,000	105,591
Sirius XM Radio, Inc. 144A	4.13	7-1-2030	260,000	233,371
Townsquare Media, Inc. 144A	6.88	2-1-2026	220,000	219,580
				<b>1,866,195</b>
<b>Telecommunications: 0.59%</b>				
CommScope, Inc. 144A	6.00	3-1-2026	320,000	308,000
Level 3 Financing, Inc. 144A	3.63	1-15-2029	60,000	37,350
Level 3 Financing, Inc. 144A	3.88	10-15-2030	60,000	40,828

	INTEREST RATE	MATURITY DATE	PRINCIPAL	VALUE
<b>Telecommunications (continued)</b>				
Level 3 Financing, Inc. 144A	10.50%	4-15-2029	\$ 180,000	\$ 192,955
Viasat, Inc. 144A	5.63	9-15-2025	60,000	59,402
				<u>638,535</u>
<b>Consumer, cyclical: 6.73%</b>				
<b>Airlines: 0.51%</b>				
American Airlines, Inc./AAdvantage Loyalty IP Ltd. 144A	5.50	4-20-2026	46,666	46,425
American Airlines, Inc./AAdvantage Loyalty IP Ltd. 144A	5.75	4-20-2029	185,000	181,342
Hawaiian Airlines Pass-Through Certificates Series 2013-1 Class 1A	3.90	1-15-2026	49,014	47,749
Hawaiian Brand Intellectual Property Ltd./HawaiianMiles Loyalty Ltd. 144A	11.00	4-15-2029	275,875	280,786
				<u>556,302</u>
<b>Apparel: 0.25%</b>				
Crocs, Inc. 144A	4.13	8-15-2031	95,000	85,388
Crocs, Inc. 144A	4.25	3-15-2029	195,000	184,095
				<u>269,483</u>
<b>Auto manufacturers: 0.14%</b>				
Ford Motor Co.	4.75	1-15-2043	180,000	<u>150,194</u>
<b>Auto parts &amp; equipment: 0.57%</b>				
American Axle & Manufacturing, Inc.	5.00	10-1-2029	210,000	195,355
Cooper Tire & Rubber Co.	7.63	3-15-2027	107,000	108,604
ZF North America Capital, Inc. 144A	6.75	4-23-2030	30,000	30,839
ZF North America Capital, Inc. 144A	6.88	4-23-2032	270,000	280,536
				<u>615,334</u>
<b>Entertainment: 1.33%</b>				
CCM Merger, Inc. 144A	6.38	5-1-2026	530,000	529,539
Churchill Downs, Inc. 144A	6.75	5-1-2031	170,000	174,695
Cinemark USA, Inc. 144A	5.25	7-15-2028	120,000	117,879
Cinemark USA, Inc. 144A	7.00	8-1-2032	260,000	269,871
Live Nation Entertainment, Inc. 144A	3.75	1-15-2028	140,000	132,642
Six Flags Entertainment Corp./Six Flags Theme Parks, Inc. 144A	6.63	5-1-2032	220,000	226,441
				<u>1,451,067</u>
<b>Home builders: 0.26%</b>				
LGI Homes, Inc. 144A	8.75	12-15-2028	150,000	159,818
Taylor Morrison Communities, Inc. 144A	5.13	8-1-2030	60,000	59,294
Tri Pointe Homes, Inc.	5.70	6-15-2028	65,000	65,390
				<u>284,502</u>
<b>Leisure time: 1.11%</b>				
Carnival Holdings Bermuda Ltd. 144A	10.38	5-1-2028	340,000	367,835
NCL Corp. Ltd. 144A	5.88	2-15-2027	75,000	75,168
NCL Corp. Ltd. 144A	7.75	2-15-2029	110,000	117,393
NCL Corp. Ltd. 144A	8.13	1-15-2029	55,000	58,828

	INTEREST RATE	MATURITY DATE	PRINCIPAL	VALUE
<b>Leisure time (continued)</b>				
Sabre Global, Inc. 144A	11.25%	12-15-2027	\$ 350,000	\$ 354,509
Viking Cruises Ltd. 144A	7.00	2-15-2029	225,000	227,924
				<b>1,201,657</b>
<b>Retail: 2.56%</b>				
Bath & Body Works, Inc. 144A	6.63	10-1-2030	135,000	136,687
Dave & Buster's, Inc. 144A	7.63	11-1-2025	70,000	70,319
FirstCash, Inc. 144A	4.63	9-1-2028	90,000	86,223
FirstCash, Inc. 144A	6.88	3-1-2032	215,000	220,872
Gap, Inc. 144A	3.88	10-1-2031	220,000	190,053
Group 1 Automotive, Inc. 144A	6.38	1-15-2030	105,000	106,818
Kohl's Corp.	4.63	5-1-2031	235,000	194,152
Lithia Motors, Inc. 144A	4.38	1-15-2031	195,000	179,615
Macy's Retail Holdings LLC 144A	5.88	4-1-2029	125,000	122,428
Macy's Retail Holdings LLC 144A	6.13	3-15-2032	240,000	229,570
Michaels Cos., Inc. 144A	7.88	5-1-2029	190,000	111,230
NMG Holding Co., Inc./Neiman Marcus Group LLC 144A	7.13	4-1-2026	130,000	130,944
PetSmart, Inc./PetSmart Finance Corp. 144A	7.75	2-15-2029	260,000	256,002
Raising Cane's Restaurants LLC 144A	9.38	5-1-2029	165,000	178,089
Sally Holdings LLC/Sally Capital, Inc.	6.75	3-1-2032	190,000	193,814
Sonic Automotive, Inc. 144A	4.88	11-15-2031	155,000	141,940
Victra Holdings LLC/Victra Finance Corp. 144A	7.75	2-15-2026	115,000	115,498
Walgreens Boots Alliance, Inc.	8.13	8-15-2029	115,000	115,198
				<b>2,779,452</b>
<b>Consumer, non-cyclical: 4.55%</b>				
<b>Commercial services: 1.76%</b>				
Allied Universal Holdco LLC 144A	7.88	2-15-2031	140,000	142,140
Allied Universal Holdco LLC/Allied Universal Finance Corp. 144A	6.00	6-1-2029	195,000	173,566
Block, Inc. 144A	6.50	5-15-2032	115,000	119,256
CoreCivic, Inc.	8.25	4-15-2029	395,000	416,692
GEO Group, Inc.	8.63	4-15-2029	270,000	280,091
GEO Group, Inc.	10.25	4-15-2031	265,000	279,968
Prime Security Services Borrower LLC/Prime Finance, Inc. 144A	6.25	1-15-2028	165,000	164,369
Sotheby's/Bidfair Holdings, Inc. 144A	5.88	6-1-2029	190,000	163,716
Upbound Group, Inc. 144A	6.38	2-15-2029	180,000	175,580
				<b>1,915,378</b>
<b>Food: 0.35%</b>				
B&G Foods, Inc. 144A	8.00	9-15-2028	360,000	<b>374,269</b>
<b>Healthcare-services: 2.00%</b>				
CHS/Community Health Systems, Inc. 144A	5.25	5-15-2030	145,000	130,012
CHS/Community Health Systems, Inc. 144A	5.63	3-15-2027	125,000	120,968
CHS/Community Health Systems, Inc. 144A	6.00	1-15-2029	10,000	9,487
CHS/Community Health Systems, Inc. 144A	10.88	1-15-2032	160,000	173,203
Concentra Escrow Issuer Corp. 144A	6.88	7-15-2032	175,000	183,066
DaVita, Inc. 144A	6.88	9-1-2032	105,000	107,421

	INTEREST RATE	MATURITY DATE	PRINCIPAL	VALUE
<b>Healthcare-services (continued)</b>				
IQVIA, Inc. 144A	6.50%	5-15-2030	\$ 180,000	\$ 186,746
ModivCare Escrow Issuer, Inc. 144A	5.00	10-1-2029	200,000	143,094
MPH Acquisition Holdings LLC 144A	5.50	9-1-2028	100,000	73,708
MPH Acquisition Holdings LLC 144A	5.75	11-1-2028	225,000	99,827
Pediatrix Medical Group, Inc. 144A	5.38	2-15-2030	270,000	258,195
Star Parent, Inc. 144A	9.00	10-1-2030	185,000	197,493
Surgery Center Holdings, Inc. 144A	7.25	4-15-2032	95,000	99,780
Tenet Healthcare Corp.	6.75	5-15-2031	380,000	393,954
				<b>2,176,954</b>
<b>Pharmaceuticals: 0.44%</b>				
AdaptHealth LLC 144A	5.13	3-1-2030	255,000	233,153
Endo Finance Holdings, Inc. 144A	8.50	4-15-2031	235,000	249,518
				<b>482,671</b>
<b>Energy: 5.62%</b>				
<b>Energy-alternate sources: 0.31%</b>				
Enviva Partners LP/Enviva Partners Finance Corp. 144A†	6.50	1-15-2026	635,000	174,625
TerraForm Power Operating LLC 144A	4.75	1-15-2030	175,000	165,261
				<b>339,886</b>
<b>Oil &amp; gas: 1.63%</b>				
Aethon United BR LP/Aethon United Finance Corp. 144A	8.25	2-15-2026	195,000	197,697
California Resources Corp. 144A	8.25	6-15-2029	185,000	190,814
Encino Acquisition Partners Holdings LLC 144A	8.50	5-1-2028	235,000	242,246
Encino Acquisition Partners Holdings LLC 144A	8.75	5-1-2031	150,000	159,337
Hilcorp Energy I LP/Hilcorp Finance Co. 144A	6.00	2-1-2031	170,000	167,845
Hilcorp Energy I LP/Hilcorp Finance Co. 144A	6.25	4-15-2032	30,000	29,898
Hilcorp Energy I LP/Hilcorp Finance Co. 144A	8.38	11-1-2033	100,000	109,518
Kraken Oil & Gas Partners LLC 144A	7.63	8-15-2029	60,000	61,838
Nabors Industries Ltd. 144A	7.50	1-15-2028	190,000	187,029
Nabors Industries, Inc. 144A	9.13	1-31-2030	240,000	257,182
Southwestern Energy Co.	8.38	9-15-2028	110,000	113,037
Talos Production, Inc. 144A	9.00	2-1-2029	45,000	47,805
				<b>1,764,246</b>
<b>Oil &amp; gas services: 0.80%</b>				
Archrock Partners LP/Archrock Partners Finance Corp. 144A	6.63	9-1-2032	110,000	111,372
Bristow Group, Inc. 144A	6.88	3-1-2028	475,000	475,505
Oceaneering International, Inc.	6.00	2-1-2028	280,000	283,656
				<b>870,533</b>
<b>Pipelines: 2.88%</b>				
Antero Midstream Partners LP/Antero Midstream Finance Corp. 144A	6.63	2-1-2032	130,000	133,955
Buckeye Partners LP	5.85	11-15-2043	150,000	135,665
Buckeye Partners LP 144A	6.88	7-1-2029	90,000	92,044
CQP Holdco LP/BIP-V Chinook Holdco LLC 144A	5.50	6-15-2031	300,000	294,102
CQP Holdco LP/BIP-V Chinook Holdco LLC 144A	7.50	12-15-2033	270,000	291,720

	INTEREST RATE	MATURITY DATE	PRINCIPAL	VALUE
<b>Pipelines (continued)</b>				
Energy Transfer LP (5 Year Treasury Constant Maturity +4.02%) ±	8.00%	5-15-2054	\$ 40,000	\$ 42,558
Energy Transfer LP Series H (5 Year Treasury Constant Maturity +5.69%) <sup>u±</sup>	6.50	11-15-2026	70,000	69,449
Harvest Midstream I LP 144A	7.50	9-1-2028	250,000	255,851
Harvest Midstream I LP 144A	7.50	5-15-2032	125,000	131,407
Hess Midstream Operations LP 144A	5.50	10-15-2030	80,000	79,257
Hess Midstream Operations LP 144A	6.50	6-1-2029	40,000	41,272
Kinetik Holdings LP 144A	5.88	6-15-2030	240,000	240,771
Prairie Acquiror LP 144A	9.00	8-1-2029	180,000	188,269
Rockies Express Pipeline LLC 144A	6.88	4-15-2040	285,000	276,249
Tallgrass Energy Partners LP/Tallgrass Energy Finance Corp. 144A	6.00	12-31-2030	270,000	257,486
Venture Global Calcasieu Pass LLC 144A	6.25	1-15-2030	100,000	103,971
Venture Global LNG, Inc. 144A	8.38	6-1-2031	305,000	323,758
Venture Global LNG, Inc. 144A	9.88	2-1-2032	155,000	172,205
				<b>3,129,989</b>
<b>Financial: 4.74%</b>				
<b>Banks: 0.30%</b>				
Bank of America Corp. Series RR (5 Year Treasury Constant Maturity +2.76%) <sup>u±</sup>	4.38	1-27-2027	135,000	130,105
Citigroup, Inc. Series X (5 Year Treasury Constant Maturity +3.42%) <sup>u±</sup>	3.88	2-18-2026	210,000	201,793
				<b>331,898</b>
<b>Diversified financial services: 2.25%</b>				
Aircastle Ltd. Series A (5 Year Treasury Constant Maturity +4.41%) 144A <sup>u±</sup>	5.25	6-15-2026	285,000	280,013
Encore Capital Group, Inc. 144A	9.25	4-1-2029	200,000	212,900
Jane Street Group/JSG Finance, Inc. 144A	7.13	4-30-2031	125,000	131,280
Jefferies Finance LLC/JFIN Co-Issuer Corp. 144A	5.00	8-15-2028	130,000	123,535
Jefferson Capital Holdings LLC 144A	9.50	2-15-2029	105,000	111,758
Nationstar Mortgage Holdings, Inc. 144A	6.50	8-1-2029	195,000	196,562
Nationstar Mortgage Holdings, Inc. 144A	7.13	2-1-2032	155,000	160,553
Navient Corp.	5.00	3-15-2027	130,000	127,480
Navient Corp.	11.50	3-15-2031	75,000	84,184
OneMain Finance Corp.	9.00	1-15-2029	155,000	164,685
Oppenheimer Holdings, Inc.	5.50	10-1-2025	225,000	222,471
PRA Group, Inc. 144A	5.00	10-1-2029	414,000	373,420
Rocket Mortgage LLC/Rocket Mortgage Co-Issuer, Inc. 144A	4.00	10-15-2033	105,000	92,538
United Wholesale Mortgage LLC 144A	5.50	4-15-2029	165,000	160,917
				<b>2,442,296</b>
<b>Insurance: 0.76%</b>				
AmWINS Group, Inc. 144A	4.88	6-30-2029	85,000	81,028
AmWINS Group, Inc. 144A	6.38	2-15-2029	115,000	117,912
AssuredPartners, Inc. 144A	5.63	1-15-2029	150,000	143,350
BroadStreet Partners, Inc. 144A	5.88	4-15-2029	130,000	123,726
HUB International Ltd. 144A	5.63	12-1-2029	95,000	92,739

	INTEREST RATE	MATURITY DATE	PRINCIPAL	VALUE
<b>Insurance (continued)</b>				
HUB International Ltd. 144A	7.25%	6-15-2030	\$ 30,000	\$ 31,327
HUB International Ltd. 144A	7.38	1-31-2032	225,000	233,266
				<b>823,348</b>
<b>Investment Companies: 0.04%</b>				
Icahn Enterprises LP/Icahn Enterprises Finance Corp.	5.25	5-15-2027	45,000	<b>43,488</b>
<b>REITS: 1.39%</b>				
Brandywine Operating Partnership LP	8.88	4-12-2029	190,000	206,482
Iron Mountain, Inc. 144A	4.50	2-15-2031	185,000	173,665
Iron Mountain, Inc. 144A	5.25	7-15-2030	315,000	307,045
Ladder Capital Finance Holdings LLLP/Ladder Capital Finance Corp. 144A	7.00	7-15-2031	220,000	228,740
Service Properties Trust	8.38	6-15-2029	305,000	302,088
Service Properties Trust 144A	8.63	11-15-2031	275,000	294,175
				<b>1,512,195</b>
<b>Industrial: 3.27%</b>				
<b>Aerospace/defense: 0.28%</b>				
Spirit AeroSystems, Inc. 144A	9.75	11-15-2030	120,000	134,297
TransDigm, Inc. 144A	6.63	3-1-2032	170,000	176,795
				<b>311,092</b>
<b>Building materials: 0.66%</b>				
Camelot Return Merger Sub, Inc. 144A	8.75	8-1-2028	400,000	396,898
CP Atlas Buyer, Inc. 144A	7.00	12-1-2028	85,000	73,190
Emerald Debt Merger Sub LLC 144A	6.63	12-15-2030	240,000	245,768
				<b>715,856</b>
<b>Electrical components &amp; equipment: 0.10%</b>				
WESCO Distribution, Inc. 144A	6.63	3-15-2032	105,000	<b>108,170</b>
<b>Hand/machine tools: 0.68%</b>				
Werner FinCo LP/Werner FinCo, Inc. 144A	11.50	6-15-2028	290,000	319,454
Werner FinCo LP/Werner FinCo, Inc. (PIK at 5.75%) 144A	14.50	10-15-2028	413,365	416,466
				<b>735,920</b>
<b>Machinery-diversified: 0.17%</b>				
Chart Industries, Inc. 144A	7.50	1-1-2030	95,000	99,820
Chart Industries, Inc. 144A	9.50	1-1-2031	75,000	81,459
				<b>181,279</b>
<b>Packaging &amp; containers: 0.81%</b>				
Ardagh Metal Packaging Finance USA LLC/Ardagh Metal Packaging Finance PLC 144A	6.00	6-15-2027	155,000	154,546
Clydesdale Acquisition Holdings, Inc. 144A	6.88	1-15-2030	60,000	60,221
Clydesdale Acquisition Holdings, Inc. 144A	8.75	4-15-2030	210,000	209,530
Mauser Packaging Solutions Holding Co. 144A	7.88	4-15-2027	80,000	82,714
Owens-Brockway Glass Container, Inc. 144A	7.25	5-15-2031	155,000	156,841

	INTEREST RATE	MATURITY DATE	PRINCIPAL	VALUE
<b>Packaging &amp; containers (continued)</b>				
Owens-Brockway Glass Container, Inc. 144A	7.38%	6-1-2032	\$ 110,000	\$ 110,497
Sealed Air Corp./Sealed Air Corp. U.S. 144A	7.25	2-15-2031	105,000	110,344
				<b>884,693</b>
<b>Transportation: 0.12%</b>				
Genesee & Wyoming, Inc. 144A	6.25	4-15-2032	125,000	<b>127,759</b>
<b>Trucking &amp; leasing: 0.45%</b>				
AerCap Global Aviation Trust (U.S. SOFR 3 Month +4.56%) 144A±	6.50	6-15-2045	105,000	104,671
Fortress Transportation & Infrastructure Investors LLC 144A	5.50	5-1-2028	90,000	89,412
Fortress Transportation & Infrastructure Investors LLC 144A	7.00	5-1-2031	205,000	214,726
Fortress Transportation & Infrastructure Investors LLC 144A	7.00	6-15-2032	80,000	83,695
				<b>492,504</b>
<b>Technology: 1.80%</b>				
<b>Computers: 0.46%</b>				
Insight Enterprises, Inc. 144A	6.63	5-15-2032	180,000	186,320
McAfee Corp. 144A	7.38	2-15-2030	100,000	95,925
Seagate HDD Cayman	8.50	7-15-2031	205,000	222,932
				<b>505,177</b>
<b>Office/business equipment: 0.16%</b>				
Zebra Technologies Corp. 144A	6.50	6-1-2032	165,000	<b>170,476</b>
<b>Software: 1.18%</b>				
AthenaHealth Group, Inc. 144A	6.50	2-15-2030	275,000	263,097
Cloud Software Group, Inc. 144A	6.50	3-31-2029	235,000	231,650
Cloud Software Group, Inc. 144A	8.25	6-30-2032	175,000	183,231
Cloud Software Group, Inc. 144A	9.00	9-30-2029	305,000	306,971
Rocket Software, Inc. 144A	9.00	11-28-2028	170,000	176,363
SS&C Technologies, Inc. 144A	6.50	6-1-2032	115,000	118,703
				<b>1,280,015</b>
<b>Utilities: 1.85%</b>				
<b>Electric: 1.85%</b>				
Edison International (5 Year Treasury Constant Maturity +3.86%) ±	8.13	6-15-2053	160,000	167,994
EUSHI Finance, Inc. (5 Year Treasury Constant Maturity +3.14%) 144A±	7.63	12-15-2054	145,000	150,278
NextEra Energy Operating Partners LP 144A	4.25	9-15-2024	2,000	1,983
NextEra Energy Operating Partners LP 144A	7.25	1-15-2029	205,000	214,629
Pattern Energy Operations LP/Pattern Energy Operations, Inc. 144A	4.50	8-15-2028	380,000	365,423
PG&E Corp.	5.25	7-1-2030	435,000	425,901
Sempra (5 Year Treasury Constant Maturity +2.87%) ±	4.13	4-1-2052	225,000	209,314
Vistra Corp. (5 Year Treasury Constant Maturity +5.74%) 144A±	7.00	12-15-2026	185,000	186,982
Vistra Corp. Series C (5 Year Treasury Constant Maturity +5.05%) 144A±	8.88	1-15-2029	110,000	116,774
Vistra Operations Co. LLC 144A	7.75	10-15-2031	160,000	170,243
				<b>2,009,521</b>
<b>Total corporate bonds and notes (Cost \$34,825,627)</b>				<b>35,120,930</b>

	INTEREST RATE	MATURITY DATE	PRINCIPAL	VALUE
<b>Loans: 2.21%</b>				
<b>Communications: 0.16%</b>				
<b>Media: 0.16%</b>				
CSC Holdings LLC (U.S. SOFR 1 Month +4.50%) ±	9.84%	1-18-2028	\$ 45,000	\$ 42,862
Hubbard Radio LLC (U.S. SOFR 1 Month +4.50%) ±	9.75	9-30-2027	171,830	136,708
				<b>179,570</b>
<b>Consumer, cyclical: 0.55%</b>				
<b>Airlines: 0.06%</b>				
SkyMiles IP Ltd. (U.S. SOFR 3 Month +3.75%) ±	9.03	10-20-2027	66,296	<b>67,679</b>
<b>Auto parts &amp; equipment: 0.13%</b>				
First Brands Group LLC (U.S. SOFR 3 Month +5.00%) ±	10.25	3-30-2027	144,460	<b>142,518</b>
<b>Housewares: 0.08%</b>				
American Greetings Corp. (U.S. SOFR 1 Month +5.75%) ±	11.00	10-30-2029	89,437	<b>89,902</b>
<b>Leisure time: 0.01%</b>				
Carnival Corp. (U.S. SOFR 1 Month +2.75%) ±	8.00	8-8-2027	13,358	<b>13,401</b>
<b>Retail: 0.27%</b>				
Petco Health & Wellness Co., Inc. (U.S. SOFR 3 Month +3.25%) ±	8.85	3-3-2028	185,000	170,640
PetSmart, Inc. (U.S. SOFR 1 Month +3.75%) ±	9.10	2-11-2028	119,692	118,794
				<b>289,434</b>
<b>Consumer, non-cyclical: 0.39%</b>				
<b>Commercial services: 0.08%</b>				
GEO Group, Inc. (U.S. SOFR 1 Month +5.25%) ±	10.50	4-13-2029	80,090	<b>80,974</b>
<b>Healthcare-services: 0.31%</b>				
LifePoint Health, Inc. (U.S. SOFR 1 Month +4.00%) ±	9.34	5-17-2031	35,000	35,066
LifePoint Health, Inc. (U.S. SOFR 3 Month +4.75%) ±	10.05	11-16-2028	35,000	35,101
ModivCare, Inc. (U.S. SOFR 3 Month +4.75%) ‡±	10.08	7-1-2031	275,000	267,781
				<b>337,948</b>
<b>Energy: 0.42%</b>				
<b>Energy-alternate sources: 0.16%</b>				
Enviva Partners LP/Enviva Partners Finance Corp. (U.S. SOFR 3 Month +8.00%) ±	13.28	12-13-2024	44,637	45,307
Enviva Partners LP/Enviva Partners Finance Corp. (U.S. SOFR 3 Month +8.00%) ‡±	13.30	12-13-2024	66,956	73,651
Enviva Partners LP/Enviva Partners Finance Corp. (U.S. SOFR 3 Month +8.00%) ‡±	13.35	12-13-2024	44,637	49,101
				<b>168,059</b>
<b>Pipelines: 0.26%</b>				
GIP III Stetson I LP (U.S. SOFR 1 Month +3.50%) ±	8.75	10-31-2028	213,663	214,065
Prairie ECI Acquiror LP (U.S. SOFR 1 Month +4.75%) ±	10.00	8-1-2029	69,825	69,767
				<b>283,832</b>

	INTEREST RATE	MATURITY DATE	PRINCIPAL	VALUE
<b>Financial: 0.49%</b>				
<b>Diversified financial services: 0.09%</b>				
Resolute Investment Managers, Inc. (U.S. SOFR 3 Month +6.50%) ‡±	12.10%	4-30-2027	\$ 101,881	<u>\$ 93,985</u>
<b>Insurance: 0.40%</b>				
Asurion LLC (U.S. SOFR 1 Month +3.25%) ±	8.61	12-23-2026	297,764	296,293
Asurion LLC (U.S. SOFR 1 Month +5.25%) ±	10.61	1-31-2028	54,633	50,948
Truist Insurance Holdings LLC (U.S. SOFR 3 Month +4.75%) ±	10.08	5-6-2032	90,000	91,334
				<u>438,575</u>
<b>Industrial: 0.15%</b>				
<b>Building materials: 0.15%</b>				
CP Atlas Buyer, Inc. (U.S. SOFR 1 Month +3.75%) ±	9.10	11-23-2027	169,712	<u>163,419</u>
<b>Technology: 0.05%</b>				
<b>Software: 0.05%</b>				
Rocket Software, Inc. (U.S. SOFR 1 Month +4.75%) ±	10.00	11-28-2028	49,874	<u>49,833</u>
<b>Total loans (Cost \$2,414,525)</b>				<u><b>2,399,129</b></u>
<b>Yankee corporate bonds and notes: 5.68%</b>				
<b>Basic materials: 0.13%</b>				
<b>Chemicals: 0.13%</b>				
Braskem Netherlands Finance BV 144A	4.50	1-31-2030	160,000	<u>140,555</u>
<b>Communications: 0.30%</b>				
<b>Telecommunications: 0.30%</b>				
Altice France SA 144A	8.13	2-1-2027	105,000	84,452
Connect Finco SARL/Connect U.S. Finco LLC 144A	6.75	10-1-2026	75,000	74,390
Zegona Finance PLC 144A	8.63	7-15-2029	165,000	171,394
				<u>330,236</u>
<b>Consumer, cyclical: 1.69%</b>				
<b>Airlines: 0.60%</b>				
Air Canada Pass-Through Trust Series 2020-1 Class C 144A	10.50	7-15-2026	340,000	363,800
Latam Airlines Group SA 144A	13.38	10-15-2027	140,000	154,425
VistaJet Malta Finance PLC/Vista Management Holding, Inc. 144A	9.50	6-1-2028	150,000	140,277
				<u>658,502</u>
<b>Auto manufacturers: 0.19%</b>				
Aston Martin Capital Holdings Ltd. 144A	10.00	3-31-2029	200,000	<u>204,068</u>
<b>Entertainment: 0.19%</b>				
Banijay Entertainment SASU 144A	8.13	5-1-2029	200,000	<u>207,186</u>
<b>Leisure time: 0.71%</b>				
Carnival Corp. 144A	6.00	5-1-2029	300,000	301,341
Royal Caribbean Cruises Ltd. 144A	6.00	2-1-2033	100,000	102,439
Royal Caribbean Cruises Ltd. 144A	6.25	3-15-2032	355,000	366,615
				<u>770,395</u>

	INTEREST RATE	MATURITY DATE	PRINCIPAL	VALUE
<b>Consumer, non-cyclical: 0.24%</b>				
<b>Pharmaceuticals: 0.24%</b>				
Teva Pharmaceutical Finance Netherlands III BV	8.13%	9-15-2031	\$ 230,000	<u>\$ 263,212</u>
<b>Energy: 1.03%</b>				
<b>Coal: 0.00%</b>				
Griffin Coal Mining Co. Pty. Ltd. 144A♦†	9.50	12-1-2049	60,913	<u>0</u>
<b>Oil &amp; gas: 0.46%</b>				
Baytex Energy Corp. 144A	8.50	4-30-2030	140,000	149,183
Borr IHC Ltd./Borr Finance LLC 144A	10.00	11-15-2028	211,951	221,997
Saturn Oil & Gas, Inc. 144A	9.63	6-15-2029	120,000	<u>124,763</u>
				<b><u>495,943</u></b>
<b>Pipelines: 0.57%</b>				
Enbridge, Inc. (5 Year Treasury Constant Maturity +4.42%) ±	7.63	1-15-2083	180,000	188,252
Northriver Midstream Finance LP 144A	6.75	7-15-2032	265,000	273,612
South Bow Canadian Infrastructure Holdings Ltd. (5 Year Treasury Constant Maturity +3.95%) 144A±	7.63	3-1-2055	155,000	<u>158,255</u>
				<b><u>620,119</u></b>
<b>Financial: 1.21%</b>				
<b>Banks: 0.77%</b>				
Banco del Estado de Chile (5 Year Treasury Constant Maturity +3.23%) 144A±	7.95	5-2-2029	120,000	126,920
BNP Paribas SA (5 Year Treasury Constant Maturity +3.73%) 144A±	8.00	8-22-2031	110,000	115,702
HSBC Holdings PLC (USD ICE Swap Rate 11:00am NY 5 Year +3.75%) ±	6.00	5-22-2027	200,000	199,501
Intesa Sanpaolo SpA (5 Year USD Swap Rate +5.46%) 144A±	7.70	9-17-2025	200,000	199,732
UBS Group AG (5 Year Treasury Constant Maturity +3.40%) 144A±	4.88	2-12-2027	205,000	<u>195,482</u>
				<b><u>837,337</u></b>
<b>Diversified financial services: 0.44%</b>				
AerCap Holdings NV (5 Year Treasury Constant Maturity +4.54%) ±	5.88	10-10-2079	115,000	114,847
AerCap Ireland Capital DAC/AerCap Global Aviation Trust (5 Year Treasury Constant Maturity +2.72%) ±	6.95	3-10-2055	110,000	113,480
Castlelake Aviation Finance DAC 144A	5.00	4-15-2027	195,000	190,319
Macquarie Airfinance Holdings Ltd. 144A	6.50	3-26-2031	55,000	<u>57,989</u>
				<b><u>476,635</u></b>
<b>Industrial: 0.69%</b>				
<b>Aerospace/defense: 0.16%</b>				
Bombardier, Inc. 144A	8.75	11-15-2030	160,000	<u>174,481</u>
<b>Electronics: 0.14%</b>				
Sensata Technologies BV 144A	5.88	9-1-2030	155,000	<u>154,818</u>
<b>Machinery-diversified: 0.19%</b>				
TK Elevator Holdco GmbH 144A	7.63	7-15-2028	200,000	<u>200,294</u>
<b>Packaging &amp; containers: 0.20%</b>				
Trivium Packaging Finance BV 144A	8.50	8-15-2027	215,000	<u>214,722</u>

	INTEREST RATE	MATURITY DATE	PRINCIPAL	VALUE
<b>Utilities: 0.39%</b>				
<b>Electric: 0.39%</b>				
Algonquin Power & Utilities Corp. (5 Year Treasury Constant Maturity +3.25%) ±	4.75%	1-18-2082	\$ 200,000	\$ 185,720
Emera, Inc. Series 16-A (3 Month LIBOR +5.44%) ±	6.75	6-15-2076	235,000	235,771
				<u>421,491</u>
<b>Total yankee corporate bonds and notes (Cost \$6,087,480)</b>				<u><b>6,169,994</b></u>
	YIELD		SHARES	
<b>Short-term investments: 0.84%</b>				
<b>Investment companies: 0.84%</b>				
Allspring Government Money Market Fund Select Class ♣∞##	5.23		911,182	<u>911,182</u>
<b>Total short-term investments (Cost \$911,182)</b>				<u><b>911,182</b></u>
<b>Total investments in securities (Cost \$115,766,539)</b>	127.01%			138,012,971
Other assets and liabilities, net	(27.01)			(29,346,595)
<b>Total net assets</b>	<u><b>100.00%</b></u>			<u><b>\$108,666,376</b></u>

144A The security may be resold in transactions exempt from registration, normally to qualified institutional buyers, pursuant to Rule 144A under the Securities Act of 1933.

◆ The security is fair valued in accordance with procedures approved by the Board of Trustees.

† Non-income-earning security

‡ Security is valued using significant unobservable inputs.

± Variable rate investment. The rate shown is the rate in effect at period end.

∞ Security is perpetual in nature and has no stated maturity date. The date shown reflects the next call date.

¥ A payment-in-kind (PIK) security is a security in which the issuer may make interest or dividend payments in cash or additional securities or a combination of both. The rate shown is the rate in effect at period end.

♣ The issuer of the security is an affiliated person of the Fund as defined in the Investment Company Act of 1940.

∞ The rate represents the 7-day annualized yield at period end.

## All or a portion of this security is segregated for unfunded loans.

Abbreviations:

LIBOR London Interbank Offered Rate

REIT Real estate investment trust

SOFR Secured Overnight Financing Rate

**Investments in affiliates**

An affiliated investment is an investment in which the Fund owns at least 5% of the outstanding voting shares of the issuer or as a result of other relationships, such as the Fund and the issuer having the same adviser or investment manager. Transactions with issuers that were affiliates of the Fund at the end of the period were as follows:

	VALUE, BEGINNING OF PERIOD	PURCHASES	SALES PROCEEDS	NET REALIZED GAINS (LOSSES)	NET CHANGE IN UNREALIZED GAINS (LOSSES)	VALUE, END OF PERIOD	SHARES, END OF PERIOD	INCOME FROM AFFILIATED SECURITIES
<b>Short-term investments</b>								
Allspring Government Money Market Fund Select Class	\$1,178,650	\$22,609,294	\$(22,876,762)	\$0	\$0	\$911,182	911,182	\$77,907

# Financial statements

## Statement of assets and liabilities

<b>Assets</b>	
Investments in unaffiliated securities, at value (cost \$114,855,357)	\$137,101,789
Investments in affiliated securities, at value (cost \$911,182)	911,182
Cash	751
Receivable for dividends and interest	1,354,154
Receivable for investments sold	64,211
Unrealized gains on unfunded loan commitments	1,004
Prepaid expenses and other assets	4,479
<b>Total assets</b>	<b>139,437,570</b>
<b>Liabilities</b>	
Secured borrowing payable	30,000,000
Dividends payable	560,202
Payable for investments purchased	82,605
Advisory fee payable	61,634
Payable for Fund shares repurchased	12,142
Administration fee payable	6,163
Trustees' fees and expenses payable	547
Accrued expenses and other liabilities	47,901
<b>Total liabilities</b>	<b>30,771,194</b>
<b>Commitments and contingent liabilities (see Note 8)</b>	
<b>Total net assets</b>	<b>\$108,666,376</b>
<b>Net assets consist of</b>	
Paid-in capital	\$ 92,289,518
Total distributable earnings	16,376,858
<b>Total net assets</b>	<b>\$108,666,376</b>
<b>Net asset value per share</b>	
Based on \$108,666,376 divided by 9,014,316 shares issued and outstanding (unlimited number of shares authorized)	\$12.05

## Statement of operations

### Investment income

Interest (net of foreign withholding taxes of \$128)	\$ 3,475,773
Dividends	2,828,038
Income from affiliated securities	77,907
<b>Total investment income</b>	<b>6,381,718</b>

### Expenses

Advisory fee	645,847
Administration fee	64,585
Custody and accounting fees	4,748
Professional fees	193,868
Shareholder report expenses	56,641
Trustees' fees and expenses	24,056
Transfer agent fees	31,620
Interest expense	1,864,452
Other fees and expenses	10,169
<b>Total expenses</b>	<b>2,895,986</b>
<b>Net investment income</b>	<b>3,485,732</b>

### Realized and unrealized gains (losses) on investments

<b>Net realized losses on investments</b>	<b>(2,351,148)</b>
Net change in unrealized gains (losses) on	
Unaffiliated securities	18,473,371
Foreign currency and foreign currency translations	1,545
Unfunded loan commitments	1,004
<b>Net change in unrealized gains (losses) on investments</b>	<b>18,475,920</b>
<b>Net realized and unrealized gains (losses) on investments</b>	<b>16,124,772</b>
<b>Net increase in net assets resulting from operations</b>	<b>\$19,610,504</b>

## Statement of changes in net assets

	YEAR ENDED AUGUST 31, 2024	YEAR ENDED AUGUST 31, 2023
<b>Operations</b>		
Net investment income	\$ 3,485,732	\$ 3,485,758
Net realized losses on investments	(2,351,148)	(2,200,262)
Net change in unrealized gains (losses) on investments	18,475,920	(14,488,376)
<b>Net increase (decrease) in net assets resulting from operations</b>	<b>19,610,504</b>	<b>(13,202,880)</b>
<b>Distributions to shareholders from</b>		
Net investment income and net realized gains	(3,454,245)	(3,584,511)
Tax basis return of capital	(3,643,280)	(4,588,782)
<b>Total distributions to shareholders</b>	<b>(7,097,525)</b>	<b>(8,173,293)</b>
<b>Capital share transactions</b>		
Cost of shares repurchased	(2,630,124)	0
<b>Total increase (decrease) in net assets</b>	<b>9,882,855</b>	<b>(21,376,173)</b>
<b>Net assets</b>		
<b>Beginning of period</b>	<b>98,783,521</b>	<b>120,159,694</b>
<b>End of period</b>	<b>\$ 108,666,376</b>	<b>\$ 98,783,521</b>

## Statement of cash flows

### Cash flows from operating activities

Net increase in net assets resulting from operations	\$ 19,610,504
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### Adjustments to reconcile net increase in net assets from operations to net cash provided by operating activities

Purchases of long-term securities	(33,365,321)
Proceeds from the sales of long-term securities	39,931,130
Amortization, net	(266,825)
Purchases and sales of short-term securities, net	111,237
Decrease in receivable for investments sold	230,171
Increase in receivable for dividends and interest	(34,235)
Decrease in prepaid expenses and other assets	4,418
Decrease in payable for investments purchased	(155,724)
Decrease in trustees' fees and expenses payable	(4,074)
Increase in advisory fee payable	6,332
Increase in administration fee payable	633
Decrease in accrued expenses and other liabilities	(143,093)
Proceeds from foreign currency transactions	1,545
Net realized losses on unaffiliated securities	2,351,148
Net change in unrealized gains (losses) on unaffiliated securities	(18,473,371)
Net change in unrealized gain (losses) on foreign currency and foreign currency translations	(1,545)
Net change in unrealized gains (losses) on unfunded loan commitments	(1,004)
<b>Net cash provided by operating activities</b>	<b>9,801,926</b>

### Cash flows from financing activities

Cost of shares repurchased	(2,617,982)
Cash distributions paid	(7,183,229)
<b>Net cash used in financing activities</b>	<b>(9,801,211)</b>
<b>Net increase in cash</b>	<b>715</b>

### Cash

Beginning of period	36
<b>End of period</b>	<b>\$ 751</b>

### Supplemental cash disclosure

Cash paid for interest	\$ 1,999,583
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## Financial highlights

(For a share outstanding throughout each period)

	YEAR ENDED AUGUST 31				
	2024	2023	2022	2021	2020
<b>Net asset value, beginning of period</b>	<b>\$10.63</b>	<b>\$12.93</b>	<b>\$13.31</b>	<b>\$12.00</b>	<b>\$12.94</b>
Net investment income	0.38 <sup>1</sup>	0.40	0.43	0.33	0.37
Net realized and unrealized gains (losses) on investments	1.78	(1.82)	0.09	1.84	(0.36)
Total from investment operations	2.16	(1.42)	0.52	2.17	0.01
<b>Distributions to shareholders from</b>					
Net investment income	(0.37)	(0.39)	(0.46)	(0.46)	(0.41)
Net realized gains	0.00	0.00	0.00	(0.11)	(0.04)
Tax basis return of capital	(0.40)	(0.49)	(0.44)	(0.29)	(0.50)
Total distributions to shareholders	(0.77)	(0.88)	(0.90)	(0.86)	(0.95)
<b>Anti-dilutive effect of shares repurchased</b>	<b>0.03</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Net asset value, end of period</b>	<b>\$12.05</b>	<b>\$10.63</b>	<b>\$12.93</b>	<b>\$13.31</b>	<b>\$12.00</b>
<b>Market value, end of period</b>	<b>\$10.75</b>	<b>\$9.67</b>	<b>\$12.34</b>	<b>\$14.71</b>	<b>\$12.78</b>
<b>Total return based on net asset value<sup>2</sup></b>	<b>23.00%</b>	<b>(10.79)%</b>	<b>4.02%</b>	<b>18.55%</b>	<b>0.04%</b>
<b>Total return based on market value<sup>2</sup></b>	<b>20.63%</b>	<b>(14.96)%</b>	<b>(10.17)%</b>	<b>23.02%</b>	<b>5.72%</b>
<b>Ratios to average net assets (annualized)</b>					
Expenses*	2.93%	2.45%	1.25%	1.09%	1.35%
Net investment income	3.52%	3.23%	3.34%	3.49%	3.21%
<b>Supplemental data</b>					
Portfolio turnover rate	26%	18%	23%	34%	68%
Net assets, end of period (000s omitted)	\$108,666	\$98,784	\$120,160	\$123,610	\$111,277
Borrowings outstanding, end of period (000s omitted)	\$30,000	\$30,000	\$30,000	\$25,000	\$22,000
Asset coverage per \$1,000 of borrowing, end of period	\$4,622	\$4,293	\$5,005	\$5,944	\$6,058

\* Ratios include interest expense relating to interest associated with borrowings and/or leverage transactions as follows:

Year ended August 31, 2024	1.88%
Year ended August 31, 2023	1.44%
Year ended August 31, 2022	0.32%
Year ended August 31, 2021	0.17%
Year ended August 31, 2020	0.41%

<sup>1</sup> Calculated based upon average shares outstanding

<sup>2</sup> Total returns based on net asset value are calculated based on the net asset value at the beginning of the period and at the end of the period. Total returns based on market value are calculated assuming a purchase of common stock on the first day and a sale on the last day of the period reported. Dividends and distributions, if any, are assumed for the purposes of these calculations to be reinvested at prices obtained under the Fund's Automatic Dividend Reinvestment Plan. Total returns do not reflect brokerage commissions that a shareholder would pay on the purchase and sale of shares.

## Notes to financial statements

### 1. ORGANIZATION

Allspring Utilities and High Income Fund (the "Fund") was organized as a statutory trust under the laws of the state of Delaware on February 4, 2004. Originally classified as non-diversified, the Fund was reclassified as a diversified closed-end management investment company in September 2014. As an investment company registered under the Investment Company Act of 1940, as amended (the "1940 Act"), the Fund follows the accounting and reporting guidance in Financial Accounting Standards Board ("FASB") Accounting Standards Codification Topic 946, *Financial Services – Investment Companies*.

### 2. SIGNIFICANT ACCOUNTING POLICIES

The following significant accounting policies, which are consistently followed in the preparation of the financial statements of the Fund, are in conformity with U.S. generally accepted accounting principles ("GAAP") which require management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

#### Securities valuation

All investments are valued each business day as of the close of regular trading on the New York Stock Exchange (generally 4 p.m. Eastern Time), although the Fund may deviate from this calculation time under unusual or unexpected circumstances.

Equity securities and exchange-traded funds that are listed on a foreign or domestic exchange or market are valued at the official closing price or, if none, the last sales price.

Debt securities are valued at the evaluated bid price provided by an independent pricing service (e.g., taking into account various factors, including yields, maturities, or credit ratings) or, if a reliable price is not available, the quoted bid price from an independent broker-dealer.

Investments in registered open-end investment companies (other than those listed on a foreign or domestic exchange or market) are valued at net asset value.

Investments which are not valued using the methods discussed above are valued at their fair value, as determined in good faith by Allspring Funds Management, LLC ("Allspring Funds Management"), which was named the valuation designee by the Board of Trustees. As the valuation designee, Allspring Funds Management is responsible for day-to-day valuation activities for the Allspring Funds. In connection with these responsibilities, Allspring Funds Management has established a Valuation Committee and has delegated to it the authority to take any actions regarding the valuation of portfolio securities that the Valuation Committee deems necessary or appropriate, including determining the fair value of portfolio securities. On a quarterly basis, the Board of Trustees receives reports of valuation actions taken by the Valuation Committee. On at least an annual basis, the Board of Trustees receives an assessment of the adequacy and effectiveness of Allspring Funds Management's process for determining the fair value of the portfolio of investments.

#### Foreign currency translation

The accounting records of the Fund are maintained in U.S. dollars. The values of other assets and liabilities denominated in foreign currencies are translated into U.S. dollars at rates provided by an independent foreign currency pricing source at a time each business day specified by the Valuation Committee. Purchases and sales of securities, and income and expenses are converted at the rate of exchange on the respective dates of such transactions. Net realized foreign exchange gains or losses arise from sales of foreign currencies, currency gains or losses realized between the trade and settlement dates on securities transactions, and the difference between the amounts of dividends, interest and foreign withholding taxes recorded and the U.S. dollar equivalent of the amounts actually paid or received. Net unrealized foreign exchange gains and losses arise from changes in the fair value of assets and liabilities other than investments in securities resulting from changes in exchange rates. The changes in net assets arising from changes in exchange rates of securities and the changes in net assets resulting from changes in market prices of securities are not separately presented. Such changes are included in net realized and unrealized gains or losses from investments.

#### When-issued transactions

The Fund may purchase securities on a forward commitment or when-issued basis. The Fund records a when-issued transaction on the trade date and will segregate assets in an amount at least equal in value to the Fund's commitment to purchase when-issued securities. Securities purchased on a when-issued basis are marked-to-market daily and the Fund begins earning interest on the settlement date. Losses may arise due to changes in the market value of the underlying securities or if the counterparty does not perform under the contract.

#### Loans

The Fund may invest in direct debt instruments which are interests in amounts owed to lenders by corporate or other borrowers. The loans pay interest at rates which are periodically reset by reference to a base lending rate plus a spread. Investments in loans may be in the form of participations in loans or assignments of all or a portion of loans from third parties. When the Fund purchases participations, it generally has no rights to enforce compliance with the terms of the loan agreement with the borrower. As a result, the Fund assumes the credit risk of both the borrower and the lender that is selling the participation. When the Fund purchases assignments from lenders, it acquires direct rights against the borrower on the loan and may enforce compliance by the borrower with the terms of the loan agreement. Loans may include fully funded term loans or unfunded loan commitments, which are

contractual obligations for future funding. Unfunded loan commitments represent the remaining obligation of the Fund to the borrower. At any point in time, up to the maturity date of the issue, the borrower may demand the unfunded portion. Unfunded amounts, if any, are marked to market and any unrealized gains or losses are recorded in the Statement of Assets and Liabilities.

## Security transactions and income recognition

Securities transactions are recorded on a trade date basis. Realized gains or losses are recorded on the basis of identified cost.

Interest income is accrued daily and bond discounts are accreted and premiums are amortized daily. To the extent debt obligations are placed on non-accrual status, any related interest income may be reduced by writing off interest receivables when the collection of all or a portion of interest has been determined to be doubtful based on consistently applied procedures and the fair value has decreased. If the issuer subsequently resumes interest payments or when the collectability of interest is reasonably assured, the debt obligation is removed from non-accrual status. Paydown gains and losses are included in interest income.

Dividend income is recognized on the ex-dividend date.

Interest earned on cash balances held at the custodian is recorded as interest income.

Income is recorded net of foreign taxes withheld where recovery of such taxes is not assured.

## Distributions to shareholders

Under a managed distribution plan, the Fund pays monthly distributions to shareholders at an annual minimum fixed rate of 7% based on the Fund's average monthly net asset value per share over the prior 12 months. The monthly distributions may be sourced from income, paid-in capital, and/or capital gains, if any. To the extent that sufficient investment income is not available on a monthly basis, the Fund may distribute paid-in capital and/or capital gains, if any, in order to maintain its managed distribution level.

Distributions to shareholders from net investment income and net realized gains, if any, are recorded on the ex-dividend date. Such distributions are determined in accordance with income tax regulations and may differ from U.S. GAAP. Dividend sources are estimated at the time of declaration. The tax character of distributions is determined as of the Fund's fiscal year end. Therefore, a portion of the Fund's distributions made prior to the Fund's fiscal year end may be categorized as a tax return of capital at year end.

## Federal and other taxes

The Fund intends to continue to qualify as a regulated investment company by distributing substantially all of its investment company taxable income and any net realized capital gains (after reduction for capital loss carryforwards) sufficient to relieve it from all, or substantially all, federal income taxes. Accordingly, no provision for federal income taxes was required.

The Fund's income and federal excise tax returns and all financial records supporting those returns for the prior three fiscal years are subject to examination by the federal and Delaware revenue authorities. Management has analyzed the Fund's tax positions taken on federal, state, and foreign tax returns, as applicable, for all open tax years and does not believe that there are any uncertain tax positions that require recognition of a tax liability.

As of August 31, 2024, the aggregate cost of all investments for federal income tax purposes was \$115,960,655 and the unrealized gains (losses) consisted of:

Gross unrealized gains	\$25,245,996
Gross unrealized losses	(3,125,720)
<b>Net unrealized gains</b>	<b>\$22,120,276</b>

As of August 31, 2024, the Fund had capital loss carryforwards which consist of \$760,409 in short-term capital losses and \$4,393,751 in long-term capital losses.

### 3. FAIR VALUATION MEASUREMENTS

Fair value measurements of investments are determined within a framework that has established a fair value hierarchy based upon the various data inputs utilized in determining the value of the Fund's investments. The three-level hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The Fund's investments are classified within the fair value hierarchy based on the lowest level of input that is significant to the fair value measurement. The inputs are summarized into three broad levels as follows:

- Level 1—quoted prices in active markets for identical securities
- Level 2—other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.)
- Level 3—significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments)

The inputs or methodologies used for valuing investments in securities are not necessarily an indication of the risk associated with investing in those securities.

The following is a summary of the inputs used in valuing the Fund's assets and liabilities as of August 31, 2024:

	QUOTED PRICES (LEVEL 1)	OTHER SIGNIFICANT OBSERVABLE INPUTS (LEVEL 2)	SIGNIFICANT UNOBSERVABLE INPUTS (LEVEL 3)	TOTAL
<b>Assets</b>				
<b>Investments in:</b>				
<b>Asset-backed securities</b>	\$ 0	\$ 46,292	\$ 0	\$ 46,292
<b>Common stocks</b>				
<i>Communication services</i>	0	0	0	0
<i>Investment Companies</i>	0	0	9,306	9,306
<i>Utilities</i>	93,356,138	0	0	93,356,138
<b>Corporate bonds and notes</b>	0	35,120,930	0	35,120,930
<b>Loans</b>	0	1,914,611	484,518	2,399,129
<b>Yankee corporate bonds and notes</b>	0	6,169,994	0	6,169,994
<b>Short-term investments</b>				
<i>Investment companies</i>	911,182	0	0	911,182
<b>Total assets</b>	<b>\$94,267,320</b>	<b>\$43,251,827</b>	<b>\$493,824</b>	<b>\$138,012,971</b>

Additional sector, industry or geographic detail, if any, is included in the Portfolio of Investments.

At August 31, 2024, the Fund did not have any transfers into/out of Level 3.

### 4. TRANSACTIONS WITH AFFILIATES

#### Advisory fee

Allspring Funds Management, a wholly owned subsidiary of Allspring Global Investments Holdings, LLC, a holding company indirectly owned by certain private funds of GTCR LLC and Reverence Capital Partners, L.P., is the adviser to the Fund and is entitled to receive a fee at an annual rate of 0.50% of the Fund's average daily total assets, which is generally paid monthly. Total assets consist of the net assets of the Fund plus borrowings or other leverage for investment purposes to the extent excluded in calculating net assets.

Allspring Funds Management has retained the services of a subadviser to provide daily portfolio management to the Fund. The fee for subadvisory services is borne by Allspring Funds Management. Allspring Global Investments, LLC, an affiliate of Allspring Funds Management and a wholly owned subsidiary of Allspring Global Investments Holdings, LLC, is the subadviser to the Fund and is entitled to receive a fee from Allspring Funds Management at an annual rate of 0.40% of the Fund's average daily total assets.

#### Administration fee

Allspring Funds Management also serves as the administrator to the Fund, providing the Fund with a wide range of administrative services necessary to the operation of the Fund. Allspring Funds Management is entitled to receive an annual administration fee from the Fund equal to 0.05% of the Fund's average daily total assets and generally paid monthly.

## Interfund transactions

The Fund may purchase or sell portfolio investment securities to certain affiliates pursuant to Rule 17a-7 under the 1940 Act and under procedures adopted by the Board of Trustees. The procedures have been designed to ensure that these interfund transactions, which do not incur broker commissions, are effected at current market prices. Pursuant to these procedures, the Fund did not have any interfund transactions during the year ended August 31, 2024.

## 5. CAPITAL SHARE TRANSACTIONS

The Fund has authorized an unlimited number of shares with no par value. For the years ended August 31, 2024 and August 31, 2023, the Fund did not issue any shares.

Under an open-market share repurchase program (the "Buyback Program"), the Fund is authorized to repurchase up to 5% of its outstanding shares in open market transactions. The Fund's Board of Trustees has delegated to Allspring Funds Management full discretion to administer the Buyback Program including the determination of the amount and timing of repurchases in accordance with the best interests of the Fund and subject to applicable legal limitations. During the year ended August 31, 2024, the Fund repurchased 277,946 of its shares on the open market at a total cost of \$2,630,124 (weighted average price per share of \$9.46). The weighted average discount of these repurchased shares was 13.05%. During the year ended August 31, 2023, the Fund did not repurchase any of its shares under the open-market share repurchase program.

## 6. BORROWINGS

The Fund has borrowed \$30,000,000 through a revolving line of credit administered by a major financial institution (the "Facility"). The Facility has a commitment amount of up to \$30,000,000. The Fund is charged interest at the 1 Month Secured Overnight Financing Rate (SOFR) plus a spread and a commitment fee based on the unutilized amount of the commitment amount. The financial institution holds a security interest in all the assets of the Fund as collateral for the borrowing. Based on the nature of the terms of the Facility and comparative market rates, the carrying amount of the borrowings at August 31, 2024 approximates its fair value. If measured at fair value, the borrowings would be categorized as a Level 2 under the fair value hierarchy.

During the year ended August 31, 2024, the Fund had average borrowings outstanding of \$30,000,000 at an average interest rate of 6.21% and recorded interest in the amount of \$1,864,452, which represents 1.88% of its average daily net assets.

## 7. INVESTMENT PORTFOLIO TRANSACTIONS

Purchases and sales of investments, excluding U.S. government obligations (if any) and short-term securities, for the year ended August 31, 2024 were \$33,053,102 and \$36,138,405, respectively.

## 8. COMMITMENTS

As of August 31, 2024, the Fund had the following unfunded loan commitments which are available until the maturity date:

	UNFUNDED COMMITMENTS	UNREALIZED GAIN (LOSS)
Enviva Partners LP/Enviva Partners Finance Corp., 13.28%, 12-13-2024 Tranche B	\$66,956	\$1,004

Based on the nature of the terms of the loans and comparative market rates, the carrying amount of the unfunded loan commitments at August 31, 2024, approximates its fair value. If measured at fair value, the unfunded loan commitments would be categorized as Level 2 under the fair value hierarchy.

## 9. DISTRIBUTIONS TO SHAREHOLDERS

The tax character of distributions paid were as follows:

	YEAR ENDED AUGUST 31	
	2024	2023
Ordinary income	\$3,454,245	\$3,584,511
Tax basis return of capital	3,643,280	4,588,782

As of August 31, 2024, the components of distributable earnings on a tax basis were as follows:

	UNREALIZED GAINS	CAPITAL LOSS CARRYFORWARD
	\$22,114,532	\$(5,154,160)

## 10. CONCENTRATION RISKS

As of the end of the period, the Fund invested a concentration of its portfolio in the utilities sector. A fund that invests a substantial portion of its assets in any sector may be more affected by changes in that sector than would be a fund whose investments are not heavily weighted in any sector.

## 11. INDEMNIFICATION

Under the Fund's organizational documents, the officers and Trustees have been granted certain indemnification rights against certain liabilities that may arise out of performance of their duties to the Fund. The Fund has entered into a separate agreement with each Trustee that converts indemnification rights currently existing under the Fund's organizational documents into contractual rights that cannot be changed in the future without the consent of the Trustee. Additionally, in the normal course of business, the Fund may enter into contracts with service providers that contain a variety of indemnification clauses. The Fund's maximum exposure under these arrangements is dependent on future claims that may be made against the Fund and, therefore, cannot be estimated.

## 12. SUBSEQUENT DISTRIBUTIONS

Under the managed distribution plan, the Fund declared the following distributions to common shareholders:

DECLARATION DATE	RECORD DATE	PAYABLE DATE	PER SHARE AMOUNT
August 14, 2024	September 13, 2024	October 1, 2024	\$0.06207
September 27, 2024	October 15, 2024	November 1, 2024	0.06258

These distributions are not reflected in the accompanying financial statements.

## To the Shareholders and Board of Trustees Allspring Utilities and High Income Fund:

### *Opinion on the Financial Statements*

We have audited the accompanying statement of assets and liabilities of Allspring Utilities and High Income Fund (the Fund), including the portfolio of investments, as of August 31, 2024, the related statements of operations and cash flows for the year then ended, the statements of changes in net assets for each of the years in the two-year period then ended, and the related notes (collectively, the financial statements) and the financial highlights for each of the years in the five-year period then ended. In our opinion, the financial statements and financial highlights present fairly, in all material respects, the financial position of the Fund as of August 31, 2024, the results of its operations and its cash flows for the year then ended, the changes in its net assets for each of the years in the two-year period then ended, and the financial highlights for each of the years in the five-year period then ended, in conformity with U.S. generally accepted accounting principles.

### *Basis for Opinion*

These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Fund in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements and financial highlights, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements and financial highlights. Such procedures also included confirmation of securities owned as of August 31, 2024, by correspondence with the custodian, transfer agent, agent banks and brokers, or by other appropriate auditing procedures. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements and financial highlights. We believe that our audits provide a reasonable basis for our opinion.

**KPMG LLP**

We have not been able to determine the specific year that we began serving as the auditor of one or more Allspring Funds investment companies; however, we are aware that we have served as the auditor of one or more Allspring Funds investment companies since at least 1955.

Boston, Massachusetts  
October 24, 2024

## Other information

### Tax information

For corporate shareholders, pursuant to Section 854 of the Internal Revenue Code, 81% of ordinary income dividends qualify for the corporate dividends-received deduction for the fiscal year ended August 31, 2024.

Pursuant to Section 854 of the Internal Revenue Code, \$2,880,860 of income dividends paid during the fiscal year ended August 31, 2024 has been designated as qualified dividend income (QDI).

For the fiscal year ended August 31, 2024, \$1,491,027 has been designated as interest-related dividends for nonresident alien shareholders pursuant to Section 871 of the Internal Revenue Code.

### Proxy voting information

A description of the policies and procedures used to determine how to vote proxies relating to portfolio securities is available without charge, upon request, by calling **1-866-259-3305**, visiting our website at **allspringglobal.com**, or visiting the SEC website at **sec.gov**. Information regarding how the proxies related to portfolio securities were voted during the most recent 12-month period ended June 30 is available on the website at **allspringglobal.com** or by visiting the SEC website at **sec.gov**.

### Quarterly portfolio holdings information

The Fund files its complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year as an exhibit to its reports on Form N-PORT. Shareholders may view the filed Form N-PORT by visiting the SEC website at **sec.gov**.

### Delaware statutory trust act – control share acquisitions

Because the Fund is organized as a Delaware statutory trust, it is subject to the control share acquisition statute (the “Control Share Statute”) contained in Subchapter III of the Delaware Statutory Trust Act (the “DSTA”), which became automatically applicable to listed closed-end funds, such as the Fund, upon its effective date of August 1, 2022 (the “Effective Date”).

The Control Share Statute provides for a series of voting power thresholds above which shares are considered control shares. The first such threshold is 10% or more, but less than 15%, of all voting power. Voting power is defined by the Control Share Statute as the power to directly or indirectly exercise or direct the exercise of the voting power of Fund shares in the election of trustees. Whether a voting power threshold is met is determined by aggregating the holdings of the acquirer as well as those of its “associates,” as defined by the Control Share Statute.

Once a threshold is reached, an acquirer has no voting rights under the DSTA or the governing documents of the Fund with respect to shares acquired in excess of that threshold (i.e., the “control shares”) unless approved by shareholders or exempted by the Fund’s Board of Trustees. Approval by shareholders requires the affirmative vote of two-thirds of all votes entitled to be cast on the matter, excluding shares held by the acquirer and its associates as well as shares held by certain insiders of the Fund. The Control Share Statute provides procedures for an acquirer to request a shareholder meeting for the purpose of considering whether voting rights shall be accorded to control shares. Further approval by the Fund’s shareholders would be required with respect to additional acquisitions of control shares above the next applicable threshold level. In addition, the Fund’s Board of Trustees is permitted, but not obligated to, exempt specific acquisitions or classes of acquisitions of control shares, either in advance or retroactively.

The Control Share Statute does not retroactively apply to acquisitions of shares that occurred prior to the Effective Date. However, such shares will be aggregated with any shares acquired after the Effective Date for purposes of determining whether a voting power threshold is exceeded, resulting in the newly acquired shares constituting control shares.

The Control Share Statute requires shareholders to disclose to the Fund any control share acquisition within 10 days of such acquisition and, upon request, to provide any information that the Fund’s Board of Trustees reasonably believes is necessary or desirable to determine whether a control share acquisition has occurred.

The foregoing is only a summary of certain aspects of the Control Share Statute. Shareholders should consult their own legal counsel to determine the application of the Control Share Statute with respect to their shares of the Fund and any subsequent acquisitions of shares.

## Board of trustees and officers

The following table provides basic information about the Board of Trustees (the “Trustees”) and Officers of the Fund. Each of the Trustees and Officers listed below acts in identical capacities for each fund in the Allspring family of funds, which consists of 95 mutual funds comprising the Allspring Funds Trust, Allspring Variable Trust, Allspring Master Trust, and four closed-end funds, including the Fund (collectively the “Fund Complex”). The mailing address of each Trustee and Officer is 1415 Vantage Park Drive, 3rd Floor, Charlotte, NC 28203. The Board of Trustees is classified into three classes of which one is elected annually. Each Trustee serves a three-year term concurrent with the class from which the Trustee is elected. Each Officer serves an indefinite term.

### Independent Trustees

NAME AND YEAR OF BIRTH	POSITION HELD AND LENGTH OF SERVICE*	PRINCIPAL OCCUPATIONS DURING PAST FIVE YEARS OR LONGER	CURRENT OTHER PUBLIC COMPANY OR INVESTMENT COMPANY DIRECTORSHIPS
<b>Class I - Non-Interested Trustees to serve until 2026 Annual Meeting of Shareholders</b>			
ISAIAH HARRIS, JR. (Born 1952)	Trustee, since 2010; Audit Committee Chair, since 2019	Retired. Member of the Advisory Board of CEF of East Central Florida. Chairman of the Board of CIGNA Corporation from 2009 to 2021, and Director from 2005 to 2008. From 2003 to 2011, Director of Deluxe Corporation. Prior thereto, President and CEO of BellSouth Advertising and Publishing Corp. from 2005 to 2007, President and CEO of BellSouth Enterprises from 2004 to 2005 and President of BellSouth Consumer Services from 2000 to 2003. Emeritus member of the Iowa State University Foundation Board of Governors. Emeritus Member of the Advisory board of Iowa State University School of Business. Advisory Board Member, Palm Harbor Academy (private school). Advisory Board Member, Fellowship of Christian Athletes. Mr. Harris is a certified public accountant (inactive status).	N/A
DAVID F. LARCKER (Born 1950)	Trustee, since 2010	Distinguished Visiting Fellow at the Hoover Institution since 2022. James Irvin Miller Professor of Accounting at the Graduate School of Business (Emeritus), Stanford University, Director of the Corporate Governance Research Initiative and Senior Faculty of The Rock Center for Corporate Governance since 2006. From 2005 to 2008, Professor of Accounting at the Graduate School of Business, Stanford University. Prior thereto, Ernst & Young Professor of Accounting at The Wharton School, University of Pennsylvania from 1985 to 2005.	N/A
OLIVIA S. MITCHELL (Born 1953)	Trustee, since 2010	International Foundation of Employee Benefit Plans Professor since 1993, Wharton School of the University of Pennsylvania. Director of Wharton’s Pension Research Council and Boettner Center on Pensions & Retirement Research, and Research Associate at the National Bureau of Economic Research. Previously taught at Cornell University from 1978 to 1993.	N/A
<b>Class II - Non-Interested Trustees to serve until 2024 Annual Meeting of Shareholders</b>			
WILLIAM R. EBSWORTH (Born 1957)	Trustee, since 2015	Retired. From 1984 to 2013, equities analyst, portfolio manager, research director and chief investment officer at Fidelity Management and Research Company in Boston, Tokyo, and Hong Kong, and retired in 2013 as Chief Investment Officer of Fidelity Strategic Advisers, Inc. where he led a team of investment professionals managing client assets. Prior thereto, Board member of Hong Kong Securities Clearing Co., Hong Kong Options Clearing Corp., the Thailand International Fund, Ltd., Fidelity Investments Life Insurance Company, and Empire Fidelity Investments Life Insurance Company. Serves on the Investment Company Institute’s Board of Governors since 2022 and Executive Committee since 2023 as well as the Vice Chairman of the Governing Council of the Independent Directors Council since 2023. Audit Committee Chair and Investment Committee Chair of the Vincent Memorial Hospital Foundation (non-profit organization). Mr. Ebsworth is a CFA charterholder.	N/A
JANE A. FREEMAN (Born 1953)	Trustee, since 2015	Retired. From 2012 to 2014 and 1999 to 2008, Chief Financial Officer of Scientific Learning Corporation. From 2008 to 2012, Ms. Freeman provided consulting services related to strategic business projects. Prior to 1999, Portfolio Manager at Rockefeller & Co. and Scudder, Stevens & Clark. Board member of the Harding Loevner Funds from 1996 to 2014, serving as both Lead Independent Director and chair of the Audit Committee. Board member of the Russell Exchange Traded Funds Trust from 2011 to 2012 and the chair of the Audit Committee. Ms. Freeman is also an inactive Chartered Financial Analyst.	N/A

\* Length of service dates reflect the Trustee’s commencement of service with the Trust’s predecessor entities, where applicable.

NAME AND YEAR OF BIRTH	POSITION HELD AND LENGTH OF SERVICE*	PRINCIPAL OCCUPATIONS DURING PAST FIVE YEARS OR LONGER	CURRENT OTHER PUBLIC COMPANY OR INVESTMENT COMPANY DIRECTORSHIPS
<b>Class III - Non-Interested Trustees to serve until 2025 Annual Meeting of Shareholders</b>			
TIMOTHY J. PENNY (Born 1951)	Trustee, since 2010; Chair, since 2018	President and Chief Executive Officer of Southern Minnesota Initiative Foundation, a non-profit organization, since 2007. Vice Chair of the Economic Club of Minnesota, since 2007. Co-Chair of the Committee for a Responsible Federal Budget, since 1995. Member of the Board of Trustees of NorthStar Education Finance, Inc., a non-profit organization, from 2007-2022. Senior Fellow of the University of Minnesota Humphrey Institute from 1995 to 2017.	N/A
JAMES G. POLISSON (Born 1959)	Trustee, since 2018; Nominating and Governance Committee Chair, since 2024	Retired. Chief Marketing Officer, Source (ETF) UK Services, Ltd, from 2015 to 2017. From 2012 to 2015, Principal of The Polisson Group, LLC, a management consulting, corporate advisory and principal investing company. Chief Executive Officer and Managing Director at Russell Investments, Global Exchange Traded Funds from 2010 to 2012. Managing Director of Barclays Global Investors from 1998 to 2010 and Global Chief Marketing Officer for iShares and Barclays Global Investors from 2000 to 2010. Trustee of the San Francisco Mechanics' Institute, a non-profit organization, from 2013 to 2015. Board member of the Russell Exchange Traded Fund Trust from 2011 to 2012. Director of Barclays Global Investors Holdings Deutschland GmbH from 2006 to 2009. Mr. Polisson is an attorney and has a retired status with the Massachusetts and District of Columbia Bar Associations.	N/A
PAMELA WHEELOCK (Born 1959)	Trustee, since January 2020; previously Trustee from January 2018 to July 2019; Chair Liaison, since July 2024	Retired. Executive and Senior Financial leadership positions in the public, private and nonprofit sectors. Interim President and CEO, McKnight Foundation, 2020. Interim Commissioner, Minnesota Department of Human Services, 2019. Chief Operating Officer, Twin Cities Habitat for Humanity, 2017-2019. Vice President for University Services, University of Minnesota, 2012-2016. Interim President and CEO, Blue Cross and Blue Shield of Minnesota, 2011-2012. Executive Vice-President and Chief Financial Officer, Minnesota Wild, 2002-2008. Commissioner, Minnesota Department of Finance, 1999-2002. Chair of the Board of Directors of Destination Medical Center Corporation. Board member of the Minnesota Wild Foundation from 2009-2024.	N/A

\* Length of service dates reflect the Trustee's commencement of service with the Trust's predecessor entities, where applicable.

Officers<sup>1</sup>

NAME AND YEAR OF BIRTH	POSITION HELD AND LENGTH OF SERVICE	PRINCIPAL OCCUPATIONS DURING PAST FIVE YEARS OR LONGER
ANDREW OWEN (Born 1960)	President, since 2017	President and Chief Executive Officer of Allspring Funds Management, LLC since 2017 and Head of Global Fund Governance of Allspring Global Investments since 2022. Prior thereto, co-president of Galliard Capital Management, LLC, an affiliate of Allspring Funds Management, LLC, from 2019 to 2022 and Head of Affiliated Managers, Allspring Global Investments, from 2014 to 2019 and Executive Vice President responsible for marketing, investments and product development for Allspring Funds Management, LLC, from 2009 to 2014.
JEREMY DEPALMA (Born 1974)	Treasurer, since 2012 (for certain funds in the Fund Complex); since 2021 (for the remaining funds in the Complex)	Senior Vice President of Allspring Funds Management, LLC since 2009. Senior Vice President of Evergreen Investment Management Company, LLC from 2008 to 2010 and head of the Fund Reporting and Control Team within Fund Administration from 2005 to 2010.
CHRISTOPHER BAKER (Born 1976)	Chief Compliance Officer, since 2022	Global Chief Compliance Officer for Allspring Global Investments since 2022. Prior thereto, Chief Compliance Officer for State Street Global Advisors from 2018 to 2021. Senior Compliance Officer for the State Street divisions of Alternative Investment Solutions, Sector Solutions, and Global Marketing from 2015 to 2018. From 2010 to 2015 Vice President, Global Head of Investment and Marketing Compliance for State Street Global Advisors.
MATTHEW PRASSE (Born 1983)	Chief Legal Officer, since 2022; Secretary, since 2021	Managing Counsel of the Allspring Legal Department since 2023 (Senior Counsel from 2021 to 2023). Prior thereto, Senior Counsel of the Wells Fargo Legal Department from 2018 to 2021. Previously, Counsel for Barings LLC from 2015 to 2018. Prior to joining Barings, Associate at Morgan, Lewis & Bockius LLP from 2008 to 2015.

<sup>1</sup> For those Officers with tenures at Allspring Global Investments and/or Allspring Funds Management, LLC that began prior to 2021, such tenures include years of service during which these businesses/entities were known as Wells Fargo Asset Management and Wells Fargo Funds Management, LLC, respectively.

## Board consideration of investment advisory and sub-advisory agreements:

Under the Investment Company Act of 1940 (the “1940 Act”), the Board of Trustees (the “Board”) of the Allspring Utilities and High Income Fund (the “Fund”) must determine annually whether to approve the continuation of the Fund’s investment advisory and sub-advisory agreements. In this regard, at a Board meeting held on May 28-30, 2024 (the “Meeting”), the Board, all the members of which have no direct or indirect interest in the investment advisory and sub-advisory agreements and are not “interested persons” of the Fund, as defined in the 1940 Act (the “Independent Trustees”), reviewed and approved: (i) an investment advisory agreement with Allspring Funds Management, LLC (“Allspring Funds Management”); and (ii) an investment sub-advisory agreement with Allspring Global Investments, LLC (the “Sub-Adviser”), an affiliate of Allspring Funds Management. The investment advisory agreement with Allspring Funds Management and the investment sub-advisory agreement with the Sub-Adviser are collectively referred to as the “Advisory Agreements.”

At the Meeting, the Board considered the factors and reached the conclusions described below relating to the selection of Allspring Funds Management and the Sub-Adviser and the approval of the Advisory Agreements. Prior to the Meeting, including at a meeting of the Board held in April 2024, and at the Meeting, the Trustees conferred extensively among themselves and with representatives of Allspring Funds Management about these matters. The Board has adopted a team-based approach, with each team consisting of a sub-set of Trustees, to assist the full Board in the discharge of its duties in reviewing investment performance and other matters throughout the year. The Independent Trustees were assisted in their evaluation of the Advisory Agreements by independent legal counsel, from whom they received separate legal advice and with whom they met separately.

In providing information to the Board, Allspring Funds Management and the Sub-Adviser were guided by a detailed set of requests for information submitted to them by independent legal counsel on behalf of the Independent Trustees at the start of the Board’s annual contract renewal process earlier in 2024. In considering and approving the Advisory Agreements, the Trustees considered the information they believed relevant, including but not limited to the information discussed below. The Board considered not only the specific information presented in connection with the Meeting, but also the knowledge gained over time through interactions with Allspring Funds Management and the Sub-Adviser about various topics. In this regard, the Board reviewed reports of Allspring Funds Management at each of its quarterly meetings, which included, among other things, portfolio reviews and investment performance reports. In addition, the Board and the teams mentioned above confer with portfolio managers at various times throughout the year. The Board did not identify any particular information or consideration that was all-important or controlling, and each individual Trustee may have attributed different weights to various factors.

After its deliberations, the Board unanimously determined that the compensation payable to Allspring Funds Management and the Sub-Adviser under each of the Advisory Agreements was reasonable, and approved the continuation of the Advisory Agreements for a one-year term. The Board considered the approval of the Advisory Agreements for the Fund as part of its consideration of agreements for funds across the complex, but its approvals were made on a fund-by-fund basis. The following summarizes a number of important, but not necessarily all, factors considered by the Board in support of its approvals.

### *Nature, extent, and quality of services*

The Board received and considered various information regarding the nature, extent and quality of services provided to the Fund by Allspring Funds Management and the Sub-Adviser under the Advisory Agreements. This information included, among other things, a summary of the background and experience of senior management of Allspring Global Investments, of which Allspring Funds Management and the Sub-Adviser are a part, and a summary of investments made in the Allspring Global Investments business.\* The Board also received information about the services that continue to be provided by Wells Fargo & Co. and/or its affiliates (“Wells Fargo”) since the sale of Wells Fargo Asset Management to Allspring Global Investments Holdings, LLC, a holding company indirectly owned by certain private funds of GTCR LLC and Reverence Capital Partners, L.P., under a transition services agreement and an update on the anticipated timeline for exiting the transition services agreement. In addition, the Board received and considered information about the full range of services provided to the Fund by Allspring Funds Management and its affiliates.

The Board considered the additional services provided to the Fund due to the fact that the Fund is a closed-end fund, including, but not limited to, leverage management and monitoring, evaluating, and, where appropriate, making recommendations with respect to the Fund’s trading discount, share repurchase program, managed distribution program, and distribution rates, as well as shareholder relations activities.

The Board considered the qualifications, background, tenure, and responsibilities of each of the portfolio managers primarily responsible for the day-to-day portfolio management of the Fund. The Board evaluated the ability of Allspring Funds Management and the Sub-Adviser to attract and retain qualified investment professionals, including research, advisory and supervisory personnel.

The Board further considered the compliance programs and compliance records of Allspring Funds Management and the Sub-Adviser. The Board received and considered information about Allspring Global Investments’ risk management functions, which included information about Allspring Funds Management’s and the Sub-Adviser’s business continuity plans and their approaches to data privacy and cybersecurity and Allspring Funds Management’s role as fair valuation designee and derivatives risk management program manager. The Board also received and considered information about Allspring Funds Management’s intermediary and vendor oversight program.

\* The trade name for the asset management firm that includes Allspring Funds Management and the Sub-Adviser is “Allspring Global Investments.”

### *Fund investment performance and expenses*

The Board considered the investment performance results for the Fund over various time periods ended December 31, 2023. The Board considered these results in comparison to the investment performance of funds in a custom peer group that included funds selected by Broadridge Inc. (“Broadridge”) and additional funds that were determined by Allspring Funds Management to be similar to the Fund (the “Custom Peer Group”), and in comparison to the Fund’s benchmark index and to other comparative data. The Board received a description of the methodology used by Broadridge and Allspring Funds Management to select the funds in the Custom Peer Group and discussed the limitations inherent in the use of other peer Groups. The Board noted that the investment performance of the Fund was lower than the average investment performance of the Custom Peer Group for all periods under review, except for the five-year and ten-year periods, for which the Fund’s investment performance was in range of the average performance of the Custom Peer Group. The Board also noted that the investment performance of the Fund was lower than its benchmark index, the Utilities and High Income Fund Blended Index, which is a custom index used by the Board to help it assess the Fund’s relative performance, for all periods under review.

The Board noted that it had approved a change in the sub-advisory arrangements and principal investment strategy for the Fund, which was implemented on or about October 15, 2019, and that the investment performance of the Fund for periods prior that date did not reflect the investment performance of the Fund’s revised sub-advisory arrangement or principal investment strategy. The Board noted that it would continue to review the Fund’s investment performance going forward to monitor implementation of the Fund’s revised sub-advisory arrangement and principal investment strategy.

The Board also received and considered information regarding the Fund’s net operating expense ratio and its various components, including actual management fees, and custodian and other nonmanagement fees. The Board considered this ratio in comparison to the median ratio of funds in the Custom Peer Group and in comparison to the median ratio of funds in an expense group that was determined by Broadridge to be similar to the Fund (the “Broadridge Group”, and together with the Custom Peer Group, the “Expense Groups”). Broadridge is an independent provider of investment company data. The Board received a description of the methodology used by Broadridge and Allspring Funds Management to select the funds in the Expense Groups, and an explanation from Broadridge of how funds comprising Broadridge expense groups and their expense ratios may vary from year-to-year. Based on the Broadridge reports, the Board noted that the net operating expense ratios of the Fund were lower than or in range of the median net operating expense ratios of the Expense Groups when taxes were excluded, although it noted that the Fund’s net operating expense ratio taking into account common and leveraged assets and including taxes, was higher than the median net operating expense ratio of the applicable Expense Group.

The Board took into account the Fund’s investment performance and expense information provided to it among the factors considered in deciding to re-approve the Advisory Agreements.

### *Investment advisory and sub-advisory fee rates*

The Board reviewed and considered the contractual investment advisory fee rate that is payable by the Fund to Allspring Funds Management for investment advisory services (the “Advisory Agreement Rate”), both on a stand-alone basis and on a combined basis with the Fund’s contractual administration fee rate (the “Management Rate”). The Board also reviewed and considered the contractual investment sub-advisory fee rate that is payable by Allspring Funds Management to the Sub-Adviser for investment sub-advisory services (the “Sub-Advisory Agreement Rate”).

Among other information reviewed by the Board was a comparison of the Management Rate of the Fund with those of other funds in the Expense Groups at a common asset level. The Board noted that the Management Rate of the Fund was lower than the average rates for its Expense Groups.

The Board also received and considered information about the portion of the total advisory fee that was retained by Allspring Funds Management after payment of the fee to the Sub-Adviser for sub-advisory services. In assessing the reasonableness of this amount, the Board received and evaluated information about the nature and extent of responsibilities retained and risks assumed by Allspring Funds Management and not delegated to or assumed by the Sub-Adviser, and about Allspring Funds Management’s on-going oversight services. Given the affiliation between Allspring Funds Management and the Sub-Adviser, the Board ascribed limited relevance to the allocation of the advisory fee between them.

Based on its consideration of the factors and information it deemed relevant, including those described here, the Board determined that the Advisory Agreement Rate and the Sub-Advisory Agreement Rate were reasonable.

### *Profitability*

The Board received and considered information concerning the profitability of Allspring Funds Management, as well as the profitability of Allspring Global Investments, from providing services to the fund complex as a whole. The Board noted that the Sub-Adviser’s profitability information with respect to providing services to the Fund and other funds in the complex was subsumed in the Allspring Global Investments profitability analysis.

Allspring Funds Management reported on the methodologies and estimates used in calculating profitability, including a description of the methodology used to allocate certain expenses. Among other things, the Board noted that the levels of profitability reported on a fund-by-fund basis varied widely, depending on factors such as the size, type, and age of fund.

Based on its review, the Board did not deem the profits reported by Allspring Funds Management or Allspring Global Investments from services provided to the Fund to be at a level that would prevent it from approving the continuation of the Advisory Agreements.

### *Economies of scale*

The Board received and considered information about the potential for Allspring Funds Management to experience economies of scale in the provision of management services, the difficulties of isolating and quantifying economies of scale on an individual fund level, and the extent to which potential scale benefits are shared with Fund shareholders. The Board noted that the Fund is not engaged in a continuous offering that could help its assets grow, and that, as is typical of closed-end funds, there are no breakpoints in the Management Rate. Although the Fund would not share in any potential economies of scale through contractual breakpoints, the Board noted that Allspring Funds Management shares potential economies of scale from its management business in a variety of ways, including through fee waiver and expense reimbursement arrangements, competitive management fee rates set at the outset without regard to breakpoints, and investments in the business intended to enhance services available to shareholders.

The Board concluded that Allspring Funds Management's arrangements with respect to the Fund constituted a reasonable approach to sharing potential economies of scale with the Fund and its shareholders. The Board also noted that it would have opportunities to revisit the Management Rate as part of future contract reviews.

### *Other benefits to Allspring Funds Management and the Sub-Adviser*

The Board received and considered information regarding potential "fall-out" or ancillary benefits received by Allspring Funds Management and its affiliates, including the Sub-Adviser, as a result of their relationships with the Fund. Ancillary benefits could include, among others, benefits directly attributable to other relationships with the Fund and benefits potentially derived from an increase in Allspring Funds Management's and the Sub-Adviser's business as a result of their relationships with the Fund. The Board also reviewed information about soft dollar credits earned and utilized by the Sub-Adviser.

Based on its consideration of the factors and information it deemed relevant, including those described here, the Board did not find that any ancillary benefits received by Allspring Funds Management and its affiliates, including the Sub-Adviser, were unreasonable.

### *Conclusion*

At the Meeting, after considering the above-described factors and based on its deliberations and its evaluation of the information described above, the Board unanimously determined that the compensation payable to Allspring Funds Management and the Sub-Adviser under each of the Advisory Agreements was reasonable, and approved the continuation of the Advisory Agreements for a one-year term.

## Automatic dividend reinvestment plan

All common shareholders are eligible to participate in the Automatic Dividend Reinvestment Plan ("the Plan"). Pursuant to the Plan, unless a common shareholder is ineligible or elects otherwise, all cash dividends and capital gains distributions are automatically reinvested by Computershare Trust Company, N.A., as agent for shareholders in administering the Plan ("Plan Agent"), in additional common shares of the Fund. Whenever the Fund declares an ordinary income dividend or a capital gain dividend (collectively referred to as "dividends") payable either in shares or in cash, nonparticipants in the Plan will receive cash, and participants in the Plan will receive the equivalent in common shares. The shares are acquired by the Plan Agent for the participant's account, depending upon the circumstances described below, either (i) through receipt of additional unissued but authorized common shares from the Fund ("newly issued common shares") or (ii) by purchase of outstanding common shares on the open-market (open-market purchases) on the NYSE Amex or elsewhere. If, on the payment date for any dividend or distribution, the net asset value per share of the common shares is equal to or less than the market price per common share plus estimated brokerage commissions ("market premium"), the Plan Agent will invest the amount of such dividend or distribution in newly issued shares on behalf of the participant. The number of newly issued common shares to be credited to the participant's account will be determined by dividing the dollar amount of the dividend by the net asset value per share on the date the shares are issued, provided that the maximum discount from the then current market price per share on the date of issuance may not exceed 5%. If on the dividend payment date the net asset value per share is greater than the market value ("market discount"), the Plan Agent will invest the dividend amount in shares acquired on behalf of the participant in open-market purchases. There will be no brokerage charges with respect to shares issued directly by the Fund as a result of dividends or capital gains distributions payable either in shares or in cash. However, each participant will pay a pro rata share of brokerage commissions incurred with respect to the Plan Agent's open-market purchases in connection with the reinvestment of dividends. The automatic reinvestment of dividends and distributions will not relieve participants of any federal, state or local income tax that may be payable (or required to be withheld) on such dividends. All correspondence concerning the Plan should be directed to the Plan Agent at P.O. Box 505000, Louisville, Kentucky 40233 or by calling 1-800-730-6001.





Transfer Agent, Registrar, Shareholder Servicing  
Agent & Dividend Disbursing Agent

Computershare Trust Company, N.A.

P.O. Box 505000

Louisville, Kentucky 40233

1-800-730-6001

Website: [allspringglobal.com](https://www.allspringglobal.com)



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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).

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