MARKETING COMMUNICATION

Break Free of Equity Income's Dividend Handcuffs

BY THE SPECIAL GLOBAL EQUITY TEAM

Throughout the 2009–2022 market cycle, dividend stocks and equity income strategies enjoyed a favorable tailwind as investors who'd been hard-pressed to find income in the fixed income markets turned to equities seeking income yield.

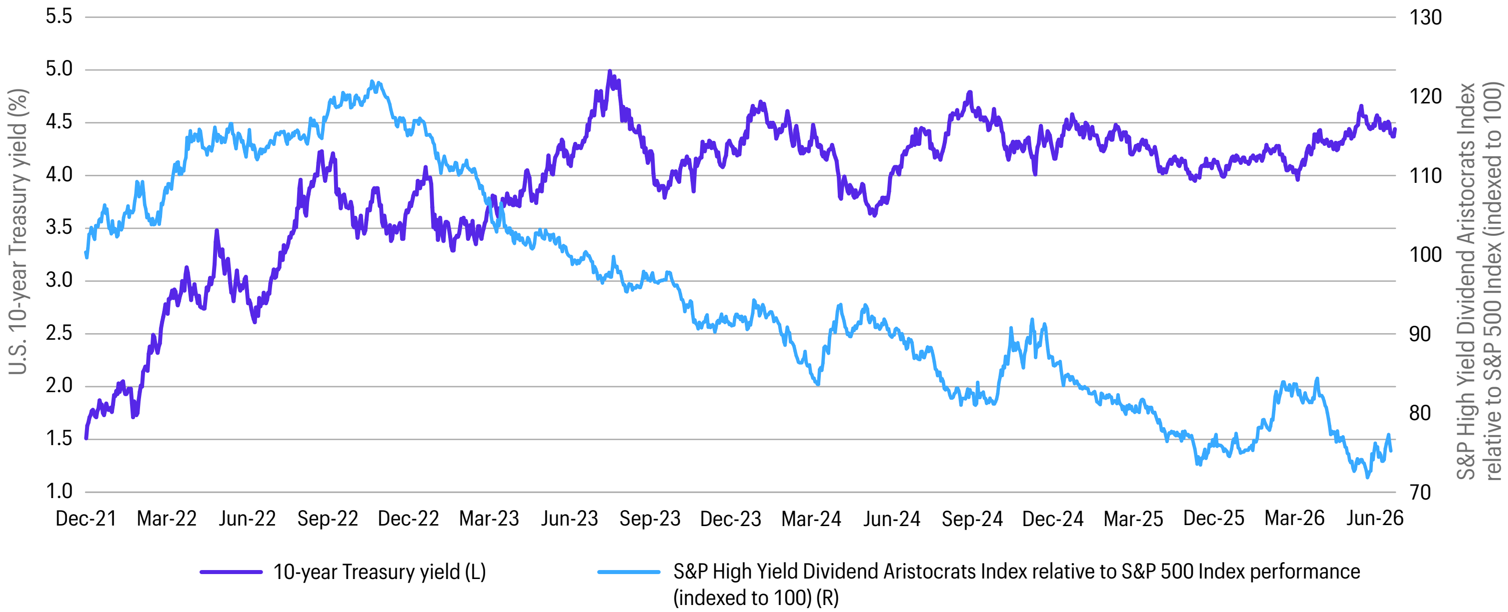
After all, a 3% dividend income yield looked attractive when the U.S. 10-year Treasury yield was well below that level. Investors' dividend euphoria provided a tailwind for dividend-yielding stocks and equity income strategies.

However, soon after the Federal Reserve (Fed) began raising interest rates in 2022, we believe this tailwind turned into a headwind. From our perspective, the higher interest rates have meant that investors can once again turn to their portfolio's bond holdings to produce all of their income goal—and they can transition their equity holdings *out* of companies "handcuffed" by the requirement to pay high dividends and *into* companies that offer more options for creating capital appreciation because they're not constrained by dividend commitments. These shifts could prove beneficial given that in a higher inflation and interest rate environment, investors can be punished for seeking dividend income at the expense of capital appreciation.

We acknowledge the very long-term track records that demonstrate the value of dividends as a component of total return. Within that multi-decade perspective, though, there are moments in the business cycle when the stars align for or against equity income-focused strategies, and we believe we've entered a more challenging phase that could continue for an extended period. In fact, as we outline the details that support our current view recommending investors fade high-dividend-payout stocks, we still own plenty of stocks that pay dividends today. However, we don't want to limit our investable universe to dividend-paying stocks—and we certainly feel that high payout ratios are restricting companies' capital allocation decisions during a period when financial flexibility can potentially be highly rewarded over the next several years.

Given the current interest rate paradigm, the cost of using dividend-paying stocks to achieve income goals could harm a portfolio's overall total-return potential. In terms of equity returns, Figure 1 shows that stocks not handcuffed by high dividend payouts (represented by the S&P 500 Index) began outperforming high dividend payers at the end of 2022 (represented by the S&P High Yield Dividend Aristocrats™ Index). It also shows that the U.S. 10-year Treasury bond yield had risen to over 4.0% as of June 30, 2026.

FIGURE 1. S&P HIGH YIELD DIVIDEND ARISTOCRATS INDEX HAS BEEN UNDERPERFORMING S&P 500 AS U.S. 10-YEAR TREASURY YIELD HAS INCREASED TO OVER 4.0%



Source: Allspring, 31-Dec-21 through 30-Jun-26

Before 2022, the 2-year Treasury rate was bouncing just above the 0.00% level and the 10-year rate was averaging 1.45% during 2021. The lack of yield forced investors into equity income strategies that could average a roughly 2.50% dividend yield. Today, with the 2-year and 10-year Treasury rates both above 4.00%, we believe it makes little sense to consume a portfolio's equity portion to achieve income goals.

The example in Figure 2 illustrates our perspective by comparing the income yield situation in 2021 with today's. In this example, a $10,000,000 portfolio requires $200,000 of annual income (2% of the balance). In 2021, achieving that amount would have required allocating at least 50% of the portfolio to an equity income strategy—which would have increased the portfolio's overall standard deviation relative to achieving income from Treasuries.

In 2026, however, the same portfolio could potentially achieve $200,000 of annual income with a 50% allocation to the risk-free 10-year Treasury, which would leave 50% of the allocation available for alternative uses. In this scenario, 0% would need to be allocated to an equity income strategy—so, the remaining 50% could be allocated instead to investments without the constraints that equity income strategies have.

THIS IS A HYPOTHETICAL EXAMPLE USING ASSUMED AVERAGE YIELDS FOR EQUITY INCOME STRATEGIES AND THE U.S. 10-YEAR TREASURY IN 2021 AND 2026. NO ACTUAL STRATEGY YIELD IS IMPLIED.

FIGURE 2. HYPOTHETICAL ALLOCATION COMPARISON: INCOME YIELDS

	2021	2026
10-year Treasury yield	1.45%	4.00%
Equity income strategy yield	2.50%	2.50%

2021

Bond allocation	100%	75%	50%	25%	0%
Equity income allocation	0%	25%	50%	75%	100%
Income yield	**1.5%**	**1.7%**	**2.0%**	**2.2%**	**2.5%**
Available capital remaining	0%	0%	0%	0%	0%

2026

Bond allocation	100%	75%	50%	25%	0%
Equity income allocation	0%	0%	0%	0%	0%
Income yield	**4.0%**	**3.0%**	**2.0%**	**1.0%**	**0.0%**
Available capital remaining	0%	25%	**50%**	75%	100%

Source: Allspring
For illustrative purposes only

Many dividend-focused strategies fail to keep pace with ascending markets. We believe there's a litany of reasons why. Here are our top three:

- **An unhealthy percentage of a company's capital can be tied up to support a dividend and therefore isn't available to support growth initiatives.**
- **There's a narrow universe of stocks to choose from when seeking companies that consistently pay dividends.**
- **In terms of style and sector, dividend payers tend to be found in more mature companies and industries that lack avenues for above-trend growth.**

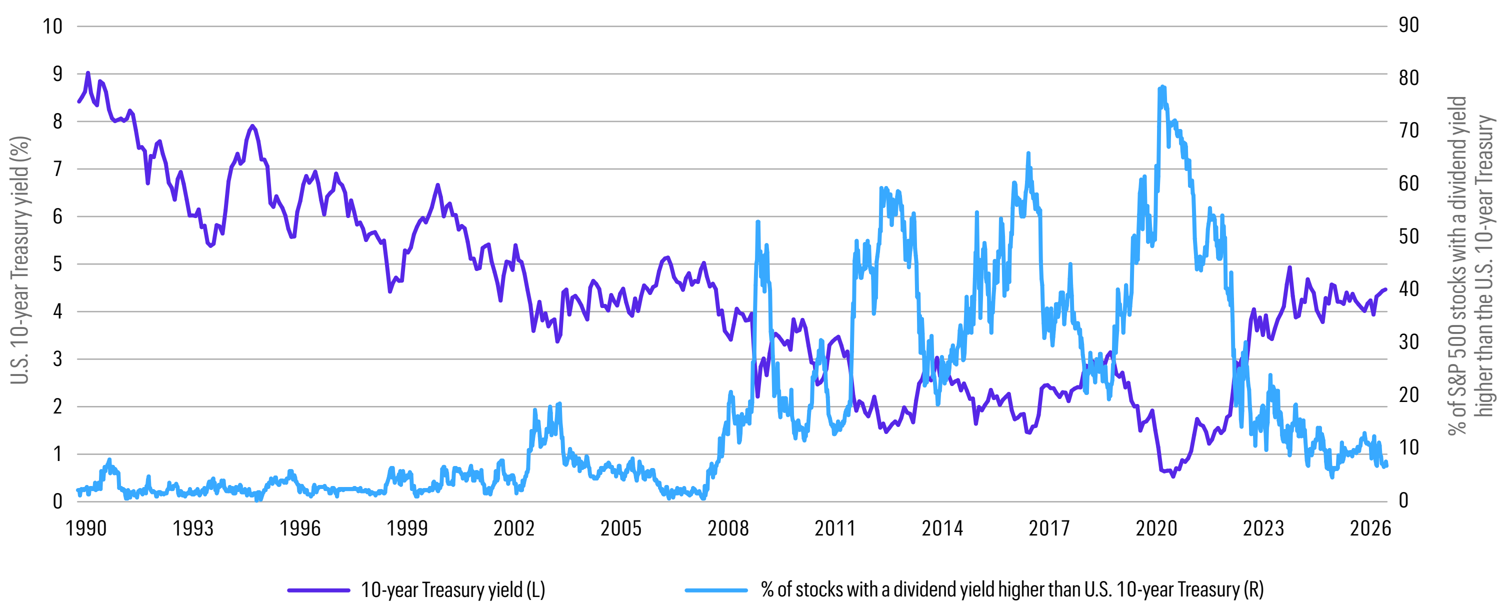
The dividend-paying universe has been shrinking.

Variety is the spice of life (so it is said), and in the investment world, the size of the available universe is the measure of one's variety. Having more companies available to invest in provides more options for portfolio managers to navigate in all market environments.

Perpetually low interest rates from 2009–2022 enabled a plethora of stocks to have dividend yields above prevailing interest rates, creating a plentiful universe for equity income stock selection and portfolio construction. However, as interest rates rose, equity income strategies still needed to maintain attractive dividend yields, but the number of available stocks to choose from had shrunk. This situation may cause portfolio managers to accept lower-quality businesses with potentially lower total returns in order to maintain an attractive dividend yield.

Equity income investors are likely hoping that eventual Fed rate cuts will reverse this headwind and provide some stability to share prices. However, interest rates would need to fall significantly to be below current dividend yields.

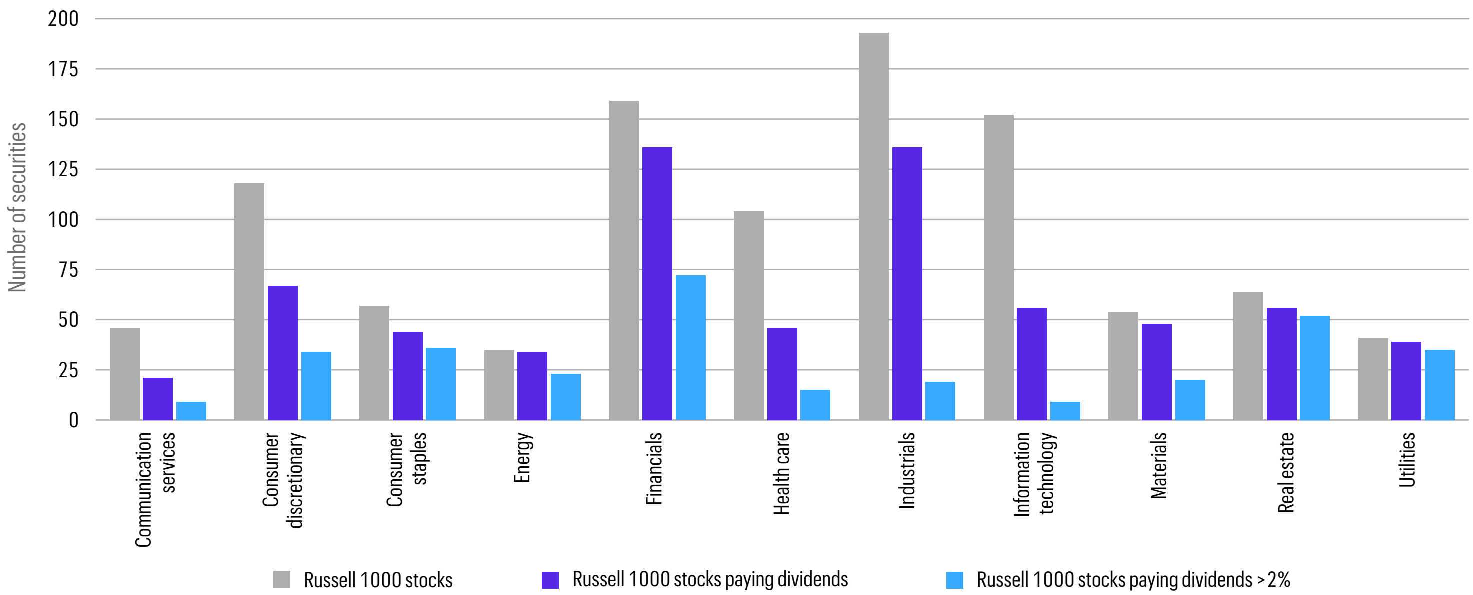
FIGURE 3. TODAY, ONLY A SMALL NUMBER OF U.S. STOCKS HAVE BEEN PAYING A HIGHER YIELD THAN U.S. 10-YEAR TREASURY BONDS



Sources: Allspring and Piper Sandler, Nov-1989 through Jun-2026

The large-cap universe can be measured by the Russell 1000 Index, which is composed of the largest 1,000 companies in the U.S. As of June 30, 2026, only 67% of the names in the Russell 1000 Index had paid a dividend and only 32% had paid a dividend yield above 2%. If an equity income strategy desired a yield above the risk-free yield of the 10-year U.S. Treasury, it would be restricted to about 8% of the entire large-cap universe. Furthermore, a large number of dividend-paying stocks are concentrated in a small group of industries or sectors.

FIGURE 4. RUSSELL 1000 INDEX: NAME COUNT BY SECTOR



Sources: Allspring and FTSE/Russell/LSEG, as of 30-Jun-26

There's a significant difference in the stock choices available to an unconstrained large-cap manager compared with what's available to a manager constrained by the obligation to own only dividend-paying stocks, and this difference is one reason why equity income strategies can experience long periods of underperformance. With access to only a limited group of companies, equity income managers generally don't have the necessary tools for building a portfolio that can weather all market environments. This spread in available investable stocks—between an unconstrained portfolio and a handcuffed equity income portfolio—can be seen across several sectors. Not only does this limitation reduce the ability to identify and own some of the best businesses and stocks, it likely also causes many different equity income portfolios to all own the same stocks.

Dividend payouts restrict future growth, making it more difficult for a company to continue reinvesting in the business.

Businesses generate earnings/cash flow, and management teams have a menu of possible ways they want to use that cash. One of these is to return it to shareholders as a dividend. However, that comes at the expense of not allocating the cash to stock buybacks, acquisitions, and/or future growth. In the current environment, having available options is a valuable tool given the ability for a well-timed stock buyback to provide demand for shares, thus reducing downside stock moves. Also, a higher for longer interest rate environment could potentially cause an increase in assets/companies that are for sale. Mergers and acquisitions (M&A) can be a very attractive tool for capital appreciation during the current phase of the economic cycle. Higher interest rates should reduce acquisition prices and restrict private equity from using excessive leverage to price out public companies.

Furthermore, the political environment has shifted toward being more favorable to M&A. This might be the most attractive market we've seen in a very long time for financially free public companies to use M&A to create meaningful shareholder value.

In moments like this, we believe financial flexibility is more valuable than the certainty of a dividend.

> Focusing on dividend-paying stocks may lead to sector style tilts that can overwhelm stock selection and create volatile relative performance.

Dividends don't create capital discipline—they reduce capital optimization.

Many investors believe that paying a dividend incentivizes a company to stay disciplined with capital allocation, and therefore the management team is less likely to carelessly chase growth initiatives. However, we believe a management team should be consistently evaluating what the best use of capital is for their company to grow shareholder value over the long term.

A dividend can often act as a handcuff on a management team's ability to be good stewards of their shareholders' capital because the team has to direct a large portion of capital to support the dividend—regardless of the other deployment opportunities that are available. Some of those capital deployment options are highlighted in the table below.

FIGURE 5.

POSSIBLE CAPITAL DEPLOYMENT OPTIONS				
CAPITAL USE/ ACTION	MARKET RECOGNITION TIME	BENEFITS	RISKS	COMPOUNDING VALUE/ LONG-TERM EFFECT
Acquisition	Long term	Expands its total addressable market; creates cost synergies driving both top-line sales and margin accretion; reinforces competitive advantage	Integration complications; price paid will affect ROIC*	Significant and potentially rapid value accretion, possibly leapfrogging over competitors and positioning the business for an extended period of shareholder value creation
Reinvest into the business via capital expenditures or research and development	Long term	Organic growth via investing in new technology, supply chain upgrades, new distribution centers, store footprint expansion, new products/ services, etc.	Typically low risk if management has a good grasp on core business opportunities	Healthy businesses continuously reinvest to maintain a competitive advantage and grow through a business cycle—failure to do so depletes the cash flow generation potential of the business in the future
Share buyback	Short term	Signals that the company believes shares are undervalued and increases the earnings per share for remaining shareholders; immediately accretive for investors; company can pause the buyback if superior alternative capital deployment options become available	Potential opportunity costs of not reinvesting the capital	Less compounding of value, but reduction in share count can lead to increased future value/ share for shareholders; during market drawdowns, the demand for shares created by company buybacks can halt a stock price drop and demonstrate confidence to the investment community that brings other investors into the stock
Dividends	Short term	Sign of strength about the company's profitability	Limits flexibility and largely locks into having to sustain dividend; potential opportunity costs of not reinvesting capital	No compounding of value for the company; requires investor to have to reinvest; dividends can also signal to investors a lack of future growth potential, which can begin to weigh on the valuation multiple investors afford the stock

Source: Allspring. *ROIC = return on invested capital

Dividends don’t (necessarily) provide a downside performance buffer.

Many investors have favored dividend-paying stocks and equity income strategies for their ability to help protect capital when equity markets fall. Historically, this has proven true when looking at downside capture and other measures of capital preservation. However, one needs to examine if it’s the dividend or the fundamentals of the company/stock providing the buffer.

Companies that pay dividends are often large, more mature businesses with reasonably stable cash flows and healthy balance sheets. Thus, there’s a correlation between dividend payers and downside protection, but not causation. We strongly believe that stable free cash flow and flexible balance sheets are what provide companies with downside protection—not a dividend they may pay out. Therefore, it’s reasonable for us to conclude that an active investment manager intensely focused on owning businesses with noncyclical cash flow streams and flexible balance sheets should be equally capable of potentially protecting capital in down markets and not sacrificing upside participation when equity markets are climbing higher.

> Investors using equity income portfolios for their large-cap equity allocation may be disappointed with the downside protection and total-return results experienced in the new economic paradigm.

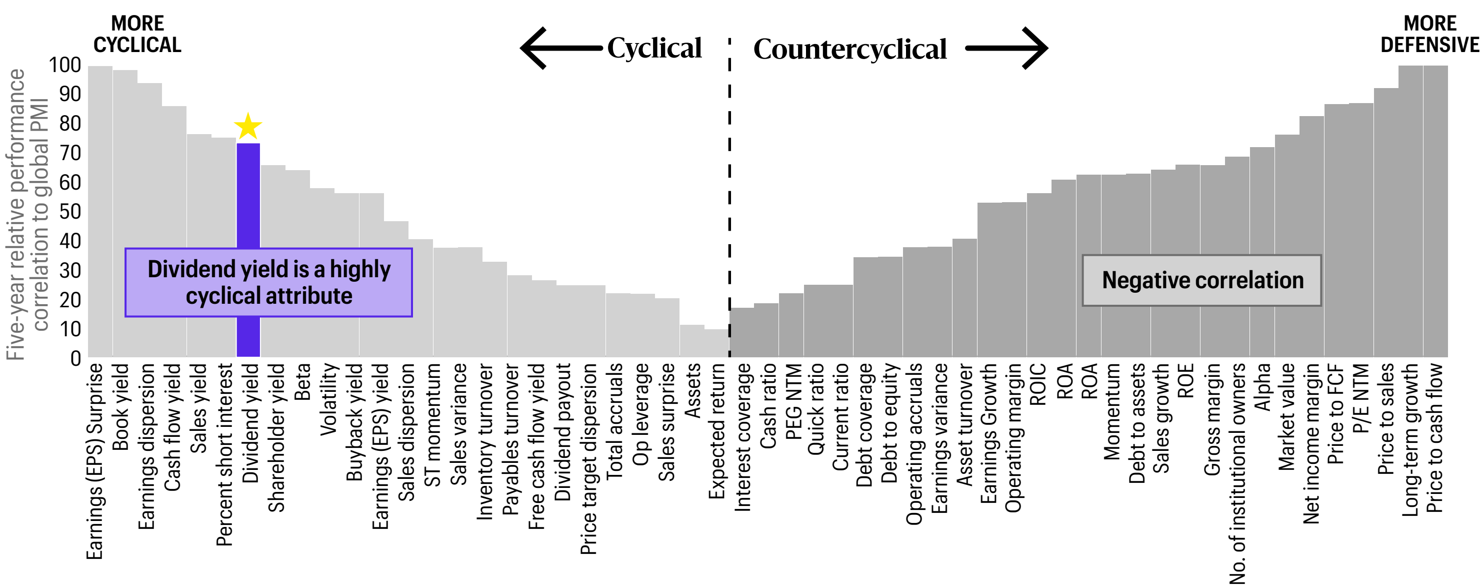
Dividends are actually highly cyclical.

Economic and geopolitical uncertainty increases the odds of a tail event that destroys demand and puts pressure on corporate profits. Dividend payments are a relatively fixed commitment to shareholders and typically are determined by management teams and boards of directors as a percentage payout of profits. However, when profits are squeezed, dividend payers generally want to maintain the dividend dollar amount and allow the payout percentage to increase (the dividend remains flat, but with profits down, the payout percentage increases). If the situation is prolonged or dire enough, a company will be forced to cut the dividend payment, which typically has a magnified negative effect on the stock price. The stock price move negates years of income in the total-return calculation and could permanently destroy capital.

As a company’s profits increase, its management team is more likely to raise the dividend payout. However, as the company’s profits fall in a cyclical downturn, the managers are likely to either cut the dividend or handcuff themselves with a high payout ratio that impairs their financial flexibility and restricts their ability to invest in other strategic opportunities, such as buying back stock or maintaining future growth plans.

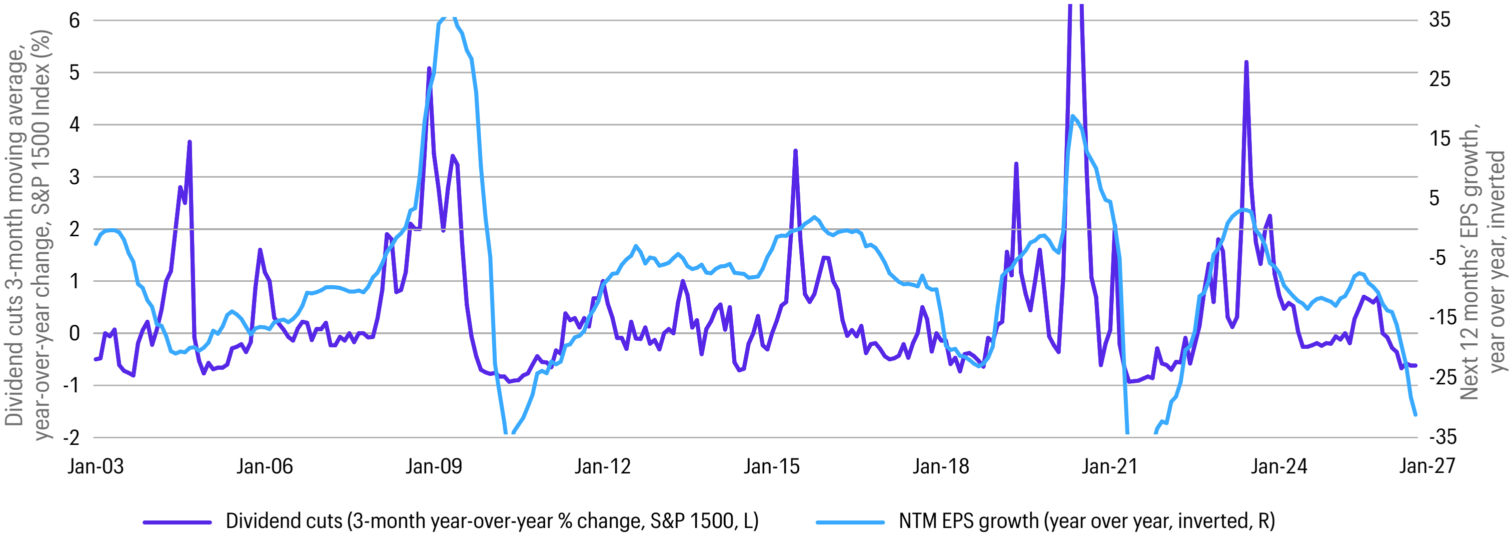
This misconception of “downside protection” may cause significant unintended risks when equity income investments are used in asset allocation models and defined contribution plan lineups. If downside protection is a valued characteristic of an equity allocation, we believe there are better ways to achieve that than by sacrificing total return that’s often a consequence of focusing on dividend yield.

FIGURE 6. SPECTRUM OF FACTOR CYCLICALITY



Source: Piper Sandler Companies, as of Jun-2026
PMI = Purchasing Managers’ Index

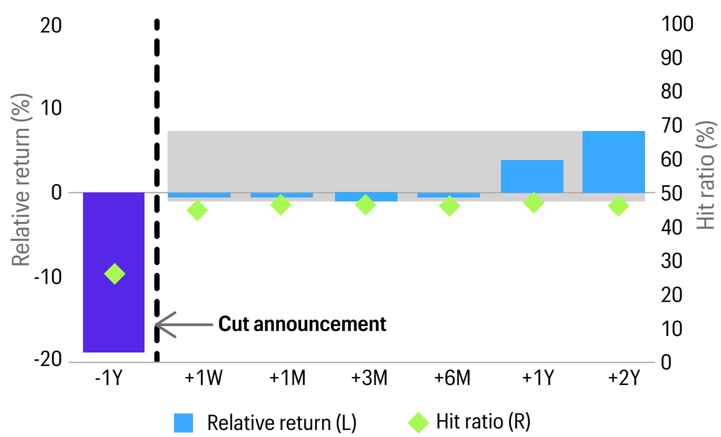
FIGURE 7. S&P 1500 INDEX IS USED TO ILLUSTRATE DIVIDEND SENSITIVITY TO EARNINGS GROWTH, WHICH CONTRIBUTES TO THE CYCLICALITY



Sources: Allspring and Piper Sandler, Jan-2003 through Jun-2026
EPS = earnings per share

Periods leading up to dividend cuts can be catastrophic for stock prices at the exact time that investors are counting on dividends' ability to mitigate downside risk. As Figure 8 shows, an analysis of dividend cuts from 1996–2026 (excluding 2020) found that the stock market prices in a cut in the one-year period *preceding* the actual cut event. Companies cutting dividends underperformed leading up to the cut announcement. After the cut, on average, shares performed in line with the market. Then, six months after the cut, companies started outperforming.

FIGURE 8. DIVIDEND CUTS: RELATIVE STOCK PERFORMANCE



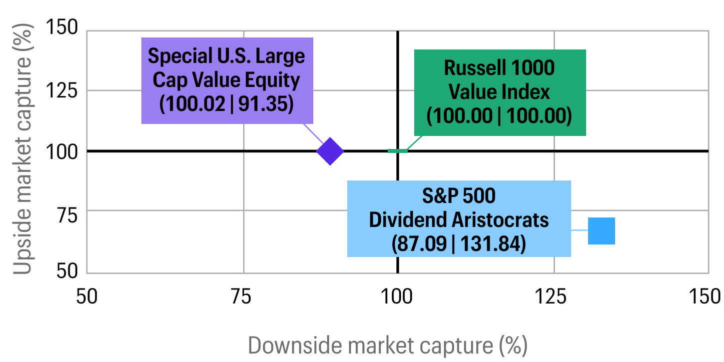
Sources: Allspring and Wolfe Research, Jun-2026

Returns measured +5 days to dividend-cut announcement. Includes companies that cut dividends from 1996–2026 (excluding 2020) and had a greater than $250 million market cap. Relative returns are compared with S&P 500 Index. Hit ratio is the percentage of positions that have generated positive returns for the period.

The up/down capture chart below shows the weak downside buffer that dividend-paying stocks provided during the five-year period that ended June 30, 2026. During the period, interest rates moved higher and average dividend yields were consistently below the federal funds rate and the U.S. 10-year Treasury yield. The S&P High Yield Dividend Aristocrats Index, as the chart shows, provided over 130% of the downside and less than 90% of the upside of the upside, demonstrating the failure of dividends to help offset downturns and the potential handcuff they can be on total return during rising markets.

FIGURE 9. UP/DOWN MARKET CAPTURE RELATIVE TO RUSSELL 1000 VALUE INDEX

Jun-2021 through Jun-2026



Sources: Allspring and eVestment. Calculated on a gross basis without the deduction of fees and expenses. **Past performance is not indicative of future results.**

SPECIAL U.S. LARGE CAP VALUE EQUITY STRATEGY RETURNS (AS OF 30-JUN-26)

	1M	3M	YTD	1Y	3Y	5Y	10Y	01-JAN-10 INCEPTION
Special U.S. Large Cap Value Equity (gross)	1.34	7.95	7.49	16.05	16.89	11.75	12.77	12.50
Special U.S. Large Cap Value Equity (net)	1.31	7.84	7.28	15.59	16.36	11.16	12.11	11.87
Russell 1000 Value Index	2.24	13.84	16.23	27.09	17.78	11.17	11.52	11.73

Performance is historical and does not guarantee future results.

Source: Allspring. Benchmark/index source: FactSet. Performance shown reflects performance since the team joined Allspring on 01-Jan-10. Although the composition of the investment team has evolved since the strategy's inception date, the team has managed the strategy in a consistent manner over time. All returns for periods greater than one year are annualized. The GIPS® composite report can be found at the end of this presentation, including information on net returns. This information is based on a representative account within the respective composite. The representative account has been selected by meeting the following criteria: the account is in the respective composite and any changes to the representative account must be approved by Investment Analytics.

We believe in a total-return approach for equity allocations.

There certainly can be a role for dividends for some companies and some investors. From our perspective, however, far too many investors hold a large percentage of their equity allocation in equity income strategies and are left wondering why their portfolios have trailed the broader equity market.

The Allspring Special U.S. Large Cap Value strategy focuses on total returns rather than limiting the universe of potential holdings to companies that pay a minimum dividend yield. Yield can instead be self-generated by the structured selling from within a portfolio to raise the amount of income needed. Capital gains and dividend income are taxed at the same tax rate—thus, from a tax perspective, one can be indifferent regarding whether the income is generated via dividend yield or capital gains. Importantly, when structured selling is used to provide income, the asset owner controls exactly how much income is generated by deciding how much to sell. If less (or more) income is needed in a given year, then less (or more) can be sold.

The Special Global Equity team's philosophy is based around finding companies that can control their destiny and that possess the following criteria:

01 A durable asset base that provides a long-term competitive advantage

02 Strong and sustainable free cash flow that provides stability and consistency

03 A flexible balance sheet that is available for accretive deployment

04 A management team that has shown the ability to create value via efficient capital allocation through a market cycle

The team believes that most investors spend the majority of their research efforts analyzing the income statement and thus the market is highly efficient at valuing expected probability-adjusted changes in the income statement into company stock prices. However, most investors aren't focused on analyzing the balance sheet—including the proper capital structure of the company and the value that can be created through deployment of the balance sheet. As a result, the value-creation potential embedded in the balance sheet is often not properly priced into stock prices.

Capital gains and dividend income are taxed at the same tax rate—thus, from a tax perspective, one can be indifferent regarding whether the income is generated via dividend yield or capital gains.

By exploiting the inefficiencies that exist in both the true cash-generating power of the business and the value creation potential of the balance sheet, the team develops valuation targets to quantify both the potential upside reward and the downside risk. Using a reward/risk valuation framework to objectively make portfolio construction decisions, the team allocates capital when the stock price allows for an asymmetric return profile, with meaningful stock price appreciation to the team's intrinsic value price target from the current stock price and limited loss of capital in a downside scenario. By using this framework, the constructed portfolio can offer significant upside potential with mitigated downside risk.

This disciplined approach combined with a portfolio construction process that seeks to isolate stock selection as the primary source of risk allocation and potential excess returns designed to provide a consistent downside buffer without having to sacrifice upside potential.

For further information

We're committed to thoughtful investing, purposeful planning, and the desire to deliver outcomes that expand above and beyond financial gains.

Click or scan the QR code to check out Allspring's insights:

GIPS Composite Report

COMPOSITE: SPECIAL U.S. LARGE CAP VALUE EQUITY

Primary Index: Russell 1000 Value Index
Analysis Date: 30-Jun-26

PERIOD	GROSS ANNUAL RETURN (%)	NET ANNUAL RETURN (%)	PRIMARY INDEX RETURN (%)	COMPOSITE 3 YR STD DEV (%)	PRIMARY INDEX 3 YR STD DEV (%)	INTERNAL DISPERSION (%)	NUMBER OF ACCOUNTS	COMPOSITE ASSETS ($-MM)	TOTAL FIRM ASSETS ($-MM)
2025	17.48	17.00	15.91	11.34	12.41	0.38	11	2,738.9	479,205
2024	17.74	17.15	14.37	16.56	16.66	0.17	9	1,603.8	458,112
2023	14.88	14.22	11.46	16.66	16.51	0.18	9	1,334.5	432,838
2022	-5.48	-6.10	-7.54	21.00	21.25	0.38	9	905.3	374,321
2021	24.70	23.91	25.16	18.11	19.06	0.55	12	1,106.7	483,747
2020	3.61	2.93	2.80	19.06	19.62	1.17	17	1,237.5	508,914
2019	31.91	31.08	26.54	12.10	11.85	0.04	19	1,340.5	419,579
2018	-3.54	-4.17	-8.27	11.01	10.82	0.78	17	1,719.4	371,582
2017	16.22	15.47	13.66	10.22	10.20	0.51	23	2,116.9	385,111
2016	8.90	8.20	17.34	10.83	10.77	0.70	37	3,078.7	330,718
1 Year	16.05	15.59	27.12						
5 Years	11.75	11.16	11.17						
10 Years	12.77	12.11	11.52						

Source: Allspring Global Investments

DISCLOSURES

Allspring Global Investments (Allspring) claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Allspring has been independently verified for the periods January 1, 1997 - December 31, 2025. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. The Special U.S. Large Cap Value Equity Composite has had a performance examination for the periods January 1, 2021 - December 31, 2025. The verification and performance examination reports are available upon request.

For the purpose of complying with GIPS, the GIPS firm is defined as Allspring. Since the GIPS firm's creation in 1996, the firm has acquired a number of investment teams and/or assets through mergers or acquisitions which include assets and/or investment teams from Wells Capital Management, EverKey Global Partners, Wells Fargo Asset Management (International) Limited, Analytic Investors, LLC, Golden Capital Management, LLC, Wells Fargo Asset Management Luxembourg S.A. and Wells Fargo Funds Management, LLC (WFFM).

The Special U.S. Large Cap Value Equity Composite (Composite) consists of all actual, fully discretionary Large Cap accounts. The strategy typically consists of approximately 40 securities with market capitalizations in excess of $2 billion at initial investment and managed with a view toward capital appreciation. Investment results are measured versus the Russell 1000® Value Index. The Composite creation date is April 1, 2021. The Composite inception date is January 1, 2010. Jim Tringas, senior portfolio manager and co-lead of the Special Global Equity team, will be assuming a new role as Director of Research for the team, and after a period of transition, will be removed as a senior portfolio manager effective January 1, 2027.

Composite returns are net of transaction costs and non-reclaimable withholding taxes, if any, are expressed in U.S. dollars, and reflect the reinvestment of dividends and other earnings. Gross Composite returns do not reflect the deduction of investment advisory fees. Net Composite returns are calculated using a model investment advisory fee, which is the maximum annual advisory fee based upon the fee schedule in effect during each respective performance period. Any changes to the fee schedule are reflected in the calculation of the net Composite returns beginning with the period in which the fee schedule is revised. Actual fees may vary depending on, among other things, the applicable fee schedule and portfolio size. The Composite may contain accounts with performance-based fees. Allspring's fee schedules are available upon request and may also be found in Part 2 of Form ADV. The published fee schedule for this strategy is 0.40% for the first $100mm, 0.35% for the next $150mm, and 0.30% over $250mm. The strategy is available via one or more pooled funds, which may have alternate fee schedules. The limited distribution pooled fund is Allspring Special Large Cap Value CIT, which has a total all-in fee of 0.35%. Prior to January 1, 2021, the Composite had a Significant Cash Flow ("SCF") policy to temporarily remove accounts from the Composite. A SCF is defined as a single client initiated net cash flow of either cash and/or securities within a seven business day window that exceeds 25% of the account's previous day's total market value. Prior to October 1, 2018, the seven business day window requirement was not in effect, but the remainder of the SCF definition was the same. Additional information regarding Allspring's policies for valuing investments, calculating performance and preparing GIPS Composite Reports is available upon request. A list of composite descriptions, a list of limited distribution pooled fund descriptions, and a list of broad distribution pooled funds are available upon request.

Internal dispersion is the equal weighted standard deviation of the annual gross returns of all accounts included in the Composite for the entire year. For years where there are 5 or fewer accounts in the Composite for the entire year, dispersion is not presented as it is not a meaningful statistical calculation. The 3-year annualized standard deviation measures the variability of the gross Composite returns and the index returns over the preceding 36-month time period.

Actual performance results may differ from Composite returns, depending on the size of the account, investment guidelines and/or restrictions, inception date and other factors. Performance for some accounts in this Composite may be calculated by third parties that use different security pricing and performance methodologies. Past performance is not indicative of future results. As with any investment vehicle, there is always the potential for gains as well as the possibility of losses. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

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Market risk: Security markets are volatile and may decline significantly in response to adverse issuer, regulatory, political, or economic developments with different sectors of the market and different security types reacting differently to such developments.

Equity securities risk: 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.

Small-cap securities risk: If a strategy invests in the securities of smaller-capitalization companies, these securities tend to be more volatile and less liquid than those of larger companies.

Foreign securities risk: If a strategy invests in the securities of non-U.S. issuers, these investments may be subject to lower liquidity, greater price volatility, and risks related to adverse political, regulatory, market, or economic developments and may be affected by changes in foreign currency exchange rates.

Investors should know that this strategy deployed may be subject to additional investment risks. For important information about the investment manager, please refer to the investment manager's Form ADV Part 2, which is available upon request.

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