

# Product Alert



May 30, 2025

## Allspring to Merge Two Small Cap Growth Funds

The Allspring Funds Board of Trustees has approved the merger of the Allspring Discovery Small Cap Growth Fund into the Allspring Emerging Growth Fund. The merger is expected to take place at the close of business on or around July 25, 2025.

MERGING ALLSPRING FUND			ACQUIRING ALLSPRING FUND <sup>1</sup>		
	Class	Ticker		Class	Ticker
Discovery Small Cap Growth Fund	Admin	EGWDX	Emerging Growth Fund	Inst	WEMIX
	Inst	EGRYX		Inst	WEMIX
	A	EGWAX		A	WEMAX
	C	EGWCX		C	WEMCX
	R6	EGWRX		R6	WEGRX

Note that the Administrator Class of the Discovery Small Cap Growth Fund will merge into the Institutional Class of the Emerging Growth Fund.

For further information, please review the Q&A below.

### What are some key benefits of the proposed fund merger?

Shareholders of the Discovery Small Cap Growth Fund will benefit from a significant increase in fund scale, as the Emerging Growth Fund has a much larger asset base (\$258 million versus \$75 million)<sup>2</sup> with the potential for greater long-term viability. The acquiring fund also has the same net operating expenses as the merging fund.

Allspring Fund	Share Class				
	A	C	Admin	Inst	R6
Discovery Small Cap Growth Fund gross operating expense ratios (%)	1.53	2.28	1.46	1.21	1.11
Discovery Small Cap Growth Fund net operating expense ratios (through 7/31/2025) (%)	1.22	1.97	1.15	0.90	0.80
Emerging Growth Fund gross operating expense ratios (%)	1.40	2.15	1.33	1.08	0.98
Emerging Growth Fund net operating expense ratios (through 8/31/2025) (%)	1.22	1.97	1.15	0.90	0.80

*The manager has contractually committed, through the date indicated in the table, to waive fees and/or reimburse expenses to the extent necessary to cap the fund's total annual fund operating expenses after fee waivers at the amount shown above. Brokerage commissions, stamp duty fees, interest, taxes, acquired fund fees and expenses (if any), and extraordinary expenses are excluded from the expense cap. Prior to or after the commitment expiration date, the cap may be increased or the commitment to maintain the cap may be terminated only with the approval of the Board of Trustees. Without this cap, the fund's returns would have been lower. The expense ratio paid by an investor is the net expense ratio (the total annual fund operating expenses after fee waivers) as stated in the prospectus.*

**What are some key similarities between the merging fund and the acquiring fund?**

Both funds are managed by the Growth Equity investment team, led by Michael Smith, and have the same portfolio managers.

The funds have similar investment objectives and strategy, the same performance benchmark (Russell 2000 Growth Index), and are in the same Morningstar (Small Growth) and Lipper (Small-Cap Growth) categories.

**Will the merger be a taxable event for shareholders?**

No. The merger is expected to be a tax-free reorganization for U.S. federal income tax purposes. However, to prevent adverse tax consequences for shareholders, the merging fund may make a distribution of income and/or capital gains in advance of the merger. Clients are encouraged to consult their tax advisors about how this may affect them.

**Can investors still transact in the merging and acquiring funds prior to the merger?**

Yes.

**Do these changes require shareholder approval?**

No. Additional information, including a description of the merger and information about fees, expenses, and risk factors, will be provided in a prospectus/information statement that is expected to be mailed to shareholders in July 2025.

**ABOUT GROWTH EQUITY**

The Growth Equity team at Allspring Global Investments manages \$12.5 billion<sup>3</sup> in assets across 8 strategies. The 17-member investment team is led by Senior Portfolio Manager Michael T. Smith, CFA. The team's diversified approach focuses on stocks with robust, sustainable, and underappreciated growth and offers full exposure across the market-cap spectrum. They seek a style-pure dedication to growth, targeting consistency of returns and focusing on fundamental, bottom-up, all-cap research to identify businesses with sustainable growth.

**ABOUT ALLSPRING**

Allspring Global Investments™ is an independent asset management firm with more than \$600 billion in assets under advisement<sup>3</sup>, over 20 offices globally, and investment teams supported by 390+ investment professionals. Allspring is committed to thoughtful investing, purposeful planning, and inspiring a new era of investing that pursues both financial returns and positive outcomes. For more information, please visit [www.allspringglobal.com](http://www.allspringglobal.com).

1) The Acquiring Fund also offers Administrator Class shares. This class is not involved in the merger.

2) As of April 30, 2025

3) As of March 31, 2025. Figures include discretionary and non-discretionary assets.

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*Carefully consider a fund's investment objectives, risks, charges, and expenses before investing. For a current prospectus and, if available, a summary prospectus, containing this and other information, call 1-800-222-8222 or visit [allspringglobal.com](http://allspringglobal.com). Read it carefully before investing.*

Investing involves risk, including the possible loss of principal. Stock values fluctuate in response to the activities of individual companies and general market and economic conditions. Smaller company stocks tend to be more volatile and less liquid than those of larger companies. Consult the fund's prospectus for additional information on these and other risks.

The Russell 2000® Growth Index measures the performance of those Russell 2000 companies with higher price/book ratios and higher forecasted growth values. You cannot invest directly in an index.



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