

# Small Cap Innovation Fund

## Asset class: US equity

### INVESTMENT OBJECTIVES AND PROCESS

- Seeks long-term capital appreciation.
- Invests in at least two-thirds of its assets in equity securities of US small-capitalisation companies.
- Seeks to identify companies that embrace innovation and foster disruption using technology to maximise efficiencies, gain pricing advantages and take market share from competitors.
- Seeks to identify companies with potential for capital growth, improving sales, effective management and a competitive advantage, taking a surround-the-company approach.
- Uses a negative screen to exclude securities issued by companies based on their exposure to ESG risks.
- The fund may invest:
  - principally in equity securities of small-capitalisation companies (within the Russell 2000 Index market-cap range at the time of purchase)
  - in up to 15% of total assets in equity securities of non-US issuers including through ADRs, CDRs, EDRs, GDRs, IDRs and similar depositary receipts
  - by using futures/derivatives for hedging or efficient portfolio management purposes

### FUND INFORMATION

**Fund managers:** Michael T. Smith, CFA;  
Christopher J. Warner, CFA  
CFA® and Chartered Financial Analyst® are trademarks owned by CFA Institute.

**Fund inception date:** 20 February 2020

**Financial year-end:** 31 March

**Fund size:** \$7.32m (USD)

**Base currency:** USD

**Benchmark:** Russell 2000® Growth Index<sup>1</sup>

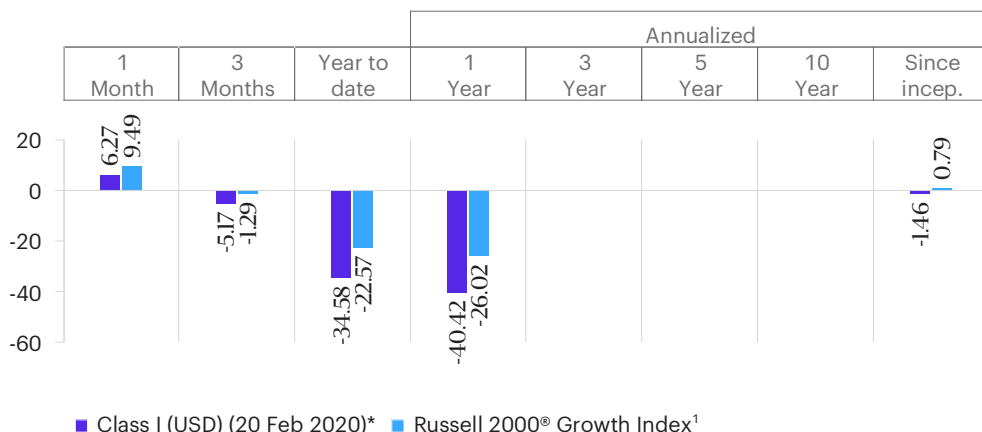
**Minimum investment (or equivalent value):**  
Class I: \$1,000,000 (USD)

**Management approach:** Actively managed

**Sustainable Finance Disclosure Regulation**

**Classification:** Article 6<sup>1</sup>

## Performance (%)



## Calendar-year performance (%)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Class I (USD) (20 Feb 2020)*	-2.46	—	—	—	—	—	—	—	—	—
Russell 2000® Growth Index¹	2.83	34.63	28.48	-9.31	22.17	11.32	-1.38	5.60	43.30	14.59

**Past performance is not indicative of future results.** Performance calculations are net of all applicable fees and are calculated on a NAV-to-NAV basis (with income re-invested). \*Share class inception date.

## Sector weights (%)

	Compared to benchmark <sup>1</sup>	
Information technology	29.27	+9.58
Health care	28.48	+5.58
Industrials	16.71	-0.89
Consumer discretionary	10.45	-0.65
Real estate	3.40	+1.22
Consumer staples	2.37	-1.88
Financials	2.32	-3.63
Communication Services	2.14	-0.30
Materials	0.69	-3.79
Cash & equivalents	4.16	+4.16

Based on ending weights as of month-end. Source: FactSet.

**Investors should note that, relative to the expectations of the Autorité des Marchés Financiers, this fund presents disproportionate communication on the consideration of non-financial criteria in its investment policy.**

**1.** 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. The Fund uses the Russell 2000® Index as a reference for selecting investments and the Russell 2000® Growth Index for performance comparison. The investments of the Sub-Fund may deviate significantly from the components of and their respective weightings in the benchmark.

<sup>1</sup>The fund applies a negative screening approach.



# Small Cap Innovation Fund

## KEY RISKS

**Market risk:** securities may decline in value due to factors affecting securities markets generally, and equity securities generally have greater price volatility than debt securities.

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

**Smaller company securities risk:** securities of companies with smaller market capitalisations tend to be more volatile and less liquid than securities of larger companies. **ESG risk:** applying an ESG screen for security selection may result in lost opportunity in a security or industry resulting in possible underperformance relative to peers, ESG screens are dependent on third party data and errors in the data may result in the incorrect inclusion or exclusion of a security.

## DEALER CUTOFF

Luxembourg: 10pm  
United States: 4pm ET

## Largest holdings (%)

	Fund
HealthEquity Inc	3.69
Casella Waste Systems, Inc. Class A	2.57
WNS (Holdings) Limited Sponsored ADR	2.45
Rexford Industrial Realty, Inc.	2.42
Wingstop, Inc.	2.41
Tetra Tech, Inc.	2.39
MGP Ingredients, Inc.	2.38
Saia, Inc.	2.36
Novanta Inc	2.16
Inspire Medical Systems, Inc.	1.94

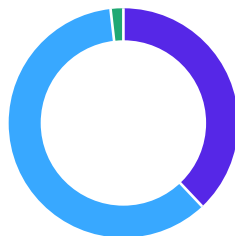
Based on ending weights as of month-end. Source: FactSet.  
The information shown is not intended to be, nor should it be construed to be, a recommendation to buy or sell an individual security.

## Valuation analysis

	Fund	Benchmark <sup>1</sup>
Weighted average market cap	US\$4.46bn	US\$3.20bn
Weighted median market cap	US\$4.13bn	US\$2.88bn
EPS growth (3- to 5-year forecast)	19.35%	20.78%
Forward P/E ratio	65.94x	25.64x
P/B ratio	3.74x	4.04x
P/S ratio	4.27x	2.31x
Number of equity holdings	80	1,114

Sources: FactSet and Allspring Global Investments.

## Holding market capitalisation (%)



- 37.95 - Medium cap (US\$5bn-US\$25bn)
- 60.26 - Small cap (US\$500m-US\$5bn)
- 1.79 - Micro cap (under US\$500m)

Based on ending weights as of month-end. Source: FactSet.

<sup>1</sup> 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. The Fund uses the Russell 2000® Index as a reference for selecting investments and the Russell 2000® Growth Index for performance comparison. The investments of the Sub-Fund may deviate significantly from the components of and their respective weightings in the benchmark.



# Small Cap Innovation Fund

## Share class information

	Inception date	Type	ISIN	Bloomberg ID	NAV	Annual Mgmt Fee	TER (%)**
Class I (USD)	20 Feb 2020	Accumulating	LU2065731478	WELSIU LX	96.12	0.85	0.950
Class Z (USD)	20 Feb 2020	Accumulating	LU2065731809	WESIZRU LX	96.12	0.85	0.950
Class Z (GBP)	20 Feb 2020	Accumulating	LU2065732013	WESIRZG LX	107.95	0.85	0.950
Class Z (EUR)	20 Feb 2020	Accum. hedged	LU2065731981	WELSIZR LX	89.91	0.85	0.950

\*\*Based on the fund's latest audited accounts. The total expense ratio which is the ratio of the gross amount of the expenses of the relevant Sub-Fund to its average net assets (excluding transaction costs). The TER includes all the expenses levied on the assets of the relevant Sub-Fund which include, but are not limited to, advisory fees, management company fees, administrative fees, custodian fees, Directors' fees, registration costs, regulatory fees, audit fees, legal fees, registration fees, formation costs, translation costs, printing costs, publication costs and duties. Share class and currency availability varies by jurisdiction. Performance may differ from share class shown. Contact your Allspring representative or visit [allspringglobal.com](https://allspringglobal.com) for more information.

## ESG metrics

The data provided is for transparency and informational purposes only. The ESG metrics are not indicative of how or whether ESG factors will be utilised by the fund. The information is based on third party ratings and, unless otherwise stated within a fund's investment objective, do not change a fund's investment objective or constrain the fund's investable universe. For more information regarding a fund's investment strategy, please see the fund's prospectus.

### MSCI ESG SCORE

	Fund		Benchmark	
	Value	Coverage	Value	Coverage
MSCI Overall Score	5.3	84%	5.1	94%

Data is sourced from MSCI ESG Research where companies are rated on a scale of 0 – 10 (0 - worst, 10 - best). Weighted average scores exclude effects of unrated securities.

### SUSTAINALYTICS ESG RISK SCORE

	Value	Coverage
Fund	25	91%
Benchmark	27	93%

ESG Risk Ratings measure exposure to and management of ESG risks. Lower risk scores reflect less ESG risk.

### PRODUCT/ACTIVITY INVOLVEMENT (%)

	Fund	Benchmark <sup>1</sup>
Controversial Weapons	0.00	0.57
Oil Sands	0.00	0.00
Small Arms	0.00	0.08
Thermal Coal	0.00	0.38
Tobacco	0.00	0.14
UNGC violators	0.00	0.00

Source: Allspring Global Investments. This report contains information developed by Sustainalytics. Such information and data are proprietary of Sustainalytics and/or its third-party suppliers (Third Party Data) and are provided for informational purposes only. They do not constitute an endorsement of any product or project, nor an investment advice and are not warranted to be complete, timely, accurate or suitable for a particular purpose. Their use is subject to conditions available at <https://www.sustainalytics.com/legal-disclaimers>. Copyright © 2022 Sustainalytics. All rights reserved.

### CARBON CHARACTERISTICS

	Fund		Benchmark		% above/ below benchmark
	Value	Coverage	Value	Coverage	
Carbon to value invested (metric tons CO2e/\$1MM invested)*	19	91%	65	89%	-71%
Weighted average carbon intensity (metric tons CO2e/\$1MM revenues)*	103	91%	193	89%	-47%

\*Carbon emissions includes operational and first-tier supply chain greenhouse gas emissions. Data sourced from S&P Trucost Limited.



# Small Cap Innovation Fund

More information about the Allspring (Lux) Worldwide Fund and its sub-funds (herein, the Fund) - including the privacy policy, a copy of the prospectus or key investor information documents (KIID) - is available upon request from your regional Allspring Global Investments™ ["Allspring"] contact, or by visiting the Fund's website at [allspringglobal.com](https://allspringglobal.com). The prospectus and KIIDs contain detailed information, including information on the Fund objectives, risks, fees, expenses, and sustainability.

This information is a Marketing Communication, unless stated otherwise, for Professional Clients/Investors, eligible counterparties or Qualified Investors only (as defined by local regulation). Recipients who do not wish to be treated as Professional clients should notify their Allspring contact immediately. Marketing Communication does not form part of the prospectus relating to the Fund and is not an offer, invitation or solicitation to subscribe for shares in the fund. Such an offer or solicitation can only be made pursuant to the applicable offering document. Please refer to the prospectus and KIID and consider all characteristics and objectives of the Fund before making any final investment decisions.

The Fund is authorised by the Luxembourg Supervisory Authority as a UCITS SICAV and has been authorised for public distribution only in certain jurisdictions.

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

The Principal Distributor of the Fund, Allspring Global Investments Luxembourg S.A ["Allspring Luxembourg"], may appoint sub-distributors (both affiliated and non-affiliated). To formalise the appointment, the Principal Distributor enters into sub-distribution, platform, marketing support or equivalent arrangements. The Principal Distributor retains the right to terminate those arrangements.

Investors have rights which include economical rights (such as redemption rights and profit rights), rights to fair information and equal treatment, complaints rights and the right to participate in General Meetings of Shareholders if the investor is registered under their own name in the register of Shareholders of the Fund. Further information may be found in the prospectus.

Directive (EU) 2020/1828 of 25 November 2020 on representative actions for the protection of the collective interests of consumers (the "Collective Redress Directive") provides for a collective redress mechanism which applies, in case of infringements by traders of, amongst others, Directive 2009/65/EC relating to undertakings for collective investment in transferable securities (the "UCITS Directive"), including such provisions as transposed into national law that harm or may harm consumers' collective interests. The Collective Redress Directive shall be transposed by Member States, including Luxembourg, by 25 December 2022 and shall apply from 25 June 2023.

Your capital may be at risk. **Past performance is not a guarantee or reliable indicator of future results.** Any past performance, forecast, projection, simulation or target is indicative and not guaranteed. Fees and expenses will reduce returns. Returns may increase or decrease as a result of currency fluctuations. **All investments contain risk.** The value, price or income of investments or financial instruments can fall as well as rise. You may not get back the amount originally invested. The Fund may not achieve its objective and/or you could lose money on your investment in the Fund.

Unless otherwise stated, Allspring Global Investments™ ["Allspring"] is the source of all data (which is current or as of the date stated); content is provided for informational purposes only with no representation regarding its adequacy, accuracy or completeness; views, opinions, assumptions or estimates are not necessarily that of Allspring or Allspring Global Investments Holdings, LLC and are subject to change without notice; information does not contain investment advice, an investment recommendation or investment research.

Any benchmark referenced is for comparative purposes only, unless specifically referenced otherwise in this material and/or in the prospectus, under the Sub-Funds' Investment Objective and Policy.

## Distribution in the United Kingdom (UK), European Economic Area (EEA) and Switzerland:

Allspring Global Investments™ ["Allspring"] 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 (UK) Limited ["Allspring UK"] an investment management company, authorised and regulated by the UK Financial Conduct Authority (FCA), and Allspring Global Investments Luxembourg S.A ["Allspring Luxembourg"], authorised and regulated by the Commission de Surveillance du Secteur Financier (CSSF). Allspring Luxembourg has branches in Frankfurt, Paris and Milan and is allowed to provide services on a cross-border basis in the EEA. This material has been approved for distribution in the UK by Allspring UK, for the purposes of Section 21 of the Financial Services and Markets Act 2000 (FSMA). Allspring UK does not provide services to retail clients, the FSMA rules for retail clients will not apply and the United Kingdom Financial Services Compensation Scheme is not available. Unless otherwise stated, information does not contain investment advice, an investment recommendation or investment research as defined under FCA regulations or the Markets in Financial Instruments Directive (Directive 2014/65/EU (MiFID II)) and therefore does not comply with the requirements for the provision of such services. For Professional Investors only. Recipients who do not wish to be treated as Professional clients should notify their Allspring contact immediately.

## Important Information:

**Austria:** the prospectus, KIIDs and other relevant material (such as the annual and semi-annual reports) are available free of charge from the Fund's administrator or Austrian paying agent in English, except for the KIIDs, which are in German. **France:** this UCITS is managed by Allspring Luxembourg and is licensed and supervised by the CSSF and governed by MiFID II (and any applicable implementing local laws and regulations), its prospectus and its KIIDs. If a recipient of this material is not a Professional Client pursuant to MiFID II, they must return it immediately. This UCITS is authorised by the CSSF and notified to the French regulator (the AMF) for marketing purposes only. No regulator or government authority, including the AMF, has reviewed the merits, accuracy or information provided. Allspring Luxembourg has appointed CACEIS Bank France to act as centralising correspondent in France in compliance with Article 411-135 of the General Regulations of the AMF. The prospectus, KIIDs and any other relevant material (such as the annual and semi-annual reports) are available free of charge at the registered office of the Fund, 80 Route d'Esch, L-1420 Luxembourg, or from [allspringglobal.com](https://allspringglobal.com), in English (not in French), except for the KIIDs, which are in French per French regulations. A French prospectus is prepared for information purposes only. Allspring Luxembourg expresses no views as to the suitability of the investments described herein to the individual circumstances of any recipient. Prospective investors shall have the financial ability and willingness to accept the risks with regards to their investment in this UCITS. Allspring Luxembourg does not undertake to guarantee any risk (including capital losses) related to a potential investment in this UCITS. **Germany:** the prospectus and the KIIDs are available free of charge at Brown Brothers Harriman, 80, Route D'Esch, L-1470 Luxembourg, or from [allspringglobal.com](https://allspringglobal.com). The prospectus is in English and the KIIDs are in German. **Italy:** this document is for the exclusive use of Professional Clients/Investors, as defined in article 6, paragraphs 2-quinquies and 2-sexies, of Legislative Decree no. 58/1998 (as amended) by reference to Annex 3 of CONSOB Regulation no. 20307 of 2018, which, at turn, transposes Annex II of MiFID II in Italy with regards to private Professional Clients. **Luxembourg:** the prospectus, KIIDs and any other relevant material (such as the annual and semi-annual reports) are available free of charge at the registered office of the Fund, c/o Brown Brothers Harriman (Luxembourg) S.C.A., 80 Route d'Esch, L-1470 Luxembourg, or can be downloaded from [allspringglobal.com](https://allspringglobal.com). Documents are in English (the prospectus and annual and semi-annual reports are also available in French and German). **The Netherlands:** the Fund is registered in the Netherlands in the register kept by the AFM (see [www.afm.nl/register](https://www.afm.nl/register)). The prospectus and the KIIDs are available from [allspringglobal.com](https://allspringglobal.com). **Spain:** the Fund has been registered with the Securities Market Commission (Comisión Nacional del Mercado de Valores, or CNMV). The prospectus, articles of incorporation and annual and semi-annual reports of the Fund are available in English from Spanish-authorized distributors and the KIIDs are available in Spanish. All Spanish-authorized distributors of the Fund are on the website: [cnmv.es](https://cnmv.es). Allspring Luxembourg has been authorised to render cross-border services in Spain and is registered with the CNMV under no. 715. **Sweden:** historical performance is not a guarantee for future performance. Investments made in the Fund may increase as well as decrease in value, and it cannot be guaranteed that your initial investment will be returned in its entirety. **Switzerland:** the information provided herein does not constitute an offer of this UCITS in Switzerland pursuant to the Swiss Federal Law on Financial Services (FinSA) and its implementing ordinance. This is solely an advertisement pursuant to FinSA and its implementing ordinance for this UCITS. Copies of the prospectus, KIIDs, the articles of association and the annual and semi-annual reports are available free of charge from the Swiss Representative and Paying Agent: BNP Paribas Securities Services, Paris, succursale de Zurich, Selnaustrasse 16, 8002. United Kingdom: the prospectus, KIIDs and any other relevant material (including the annual and semi-annual reports) are available free of charge in English from the fund's administrator.