Performance report | August 2025

Allspring Global Income Fund – Class A

Overview

Allspring is a leading asset manager with USD$600 billion of assets under management and advisement, managing over USD$460 billion in fixed income assets for a global client base. The Allspring Global Income Fund – Class A (the Fund) is based on Allspring's global income strategy and offers daily liquidity in an Australian Unit Trust structure.

Objective

The Fund's objective is to generate a total return, consisting of a high level of current income and capital appreciation, through investment in the Allspring (Lux) Worldwide Fund sub-fund which in turn invests in a broad array of fixed income sectors, including global high yield, global investment grade credit, emerging markets, global securitised and global treasuries.

The Allspring investment team seeks unbiased sources of alpha to generate returns by allocating assets to sectors believed to offer better opportunities. A negative screen is also used to exclude securities issued by companies based on their exposure to ESG risks.

Fund Features

Feature	Information
Benchmark	Bloomberg Global Aggregate Index
Risk profile	Medium to high risk
Recommended investment period	Long term (5 years +)
Minimum investment	$20,000 (AUD)
Additional investment	$10,000 (AUD)
Buy/Sell spread	+/-0.20%
Entry/Exit fees	Nil
Distributions	Generally paid on a monthly basis
Management fees and costs[1]	0.87%

Net returns (AUD)*

	1 mnth	3 mnths	Since inception[2]
Fund	1.14%	N/A	1.23%

Performance figures are net of fees and expenses. Past performance is not indicative of future performance.

* Net returns for the Allspring (Lux) Worldwide Fund sub-fund in USD are available on request by emailing client.experience@bennelongfunds.com.

Portfolio characteristics

	Fund	Benchmark[3]
Average credit quality	BBB+	AA-
Average maturity (yrs)	6.69	8.33
Duration (yrs)	4.43	6.30
Weighted average coupon	5.53	3.04
Yield to worst	5.59%	3.49%

Sources: FactSet and Allspring Global Investments.

Geographic allocation (%)

	Fund	Benchmark[3]
North America	70.84	43.68
Europe ex U.K.	12.85	22.92
UK	5.80	4.30
Latin America	5.53	1.01
Asia/Pacific ex-Japan	3.20	16.10
Diversified	0.77	2.65
Africa/Middle East	0.55	0.02
Japan	0.48	9.33
Derivatives	-0.02	—

Based on ending weights as of month-end. Source: Allspring Global Investments. Excludes cash & equivalents.

Top ten sector weights (%)

	Fund	Benchmark[3]
MBS	28.85	9.98
Treasuries	22.99	53.78
Financials	12.49	6.66
ABS	5.92	0.20
Consumer discretionary	5.87	1.44
Communication services	4.95	1.22
Energy	3.34	1.10
Information technology	2.54	1.18
Utilities	2.24	1.68
Materials	2.10	0.17

Based on ending weights as of month-end. Values will not sum to 100%. Source: Allspring Global Investments. Excludes cash & equivalents.

Credit rating allocation (%)

	Fund	Benchmark[3]
AAA/Aaa	1.50	12.19
AA/Aa	49.03	42.32
A/A	7.93	30.37
BBB/Baa	18.26	15.12
BB/Ba	13.25	—
B/B	6.71	—
CCC/Caa and below	1.73	—
Not rated	1.61	—

Based on ending weights as of month-end. Source: Allspring Global Investments. Excludes cash, derivatives & equivalents.

ESG carbon characteristics

	Fund		Benchmark[3]		
	Value	Coverage	Value	Coverage	% above /below benchmark
Carbon to value invested (metric tons CO2e/ $MM invested)*	57	48%	70	1%	-18%
Weighted average carbon intensity (metric tons CO2e/ $1MM revenues)*	95	49%	120	1%	-21%

*Carbon emissions includes scope 1 and scope 2 GHG emissions. Data sourced from MSCI ESG Research.

Top ten largest holdings (%)

	Fund
GNMA	5.91
UMBS Tba 30yr 6% September Delivery	5.9
FNMA TBA SEP 30 SINGLE FAM	4.48
WI TREASURY SEC.	3.32
GNMA	3.3
U.S. Treasuries	3.09
U.S. Treasuries	3.05
U.S. Treasuries	1.93
GNMA Series Association- Class	1.81
FHLMC	1.7

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

Credit asset class (%)

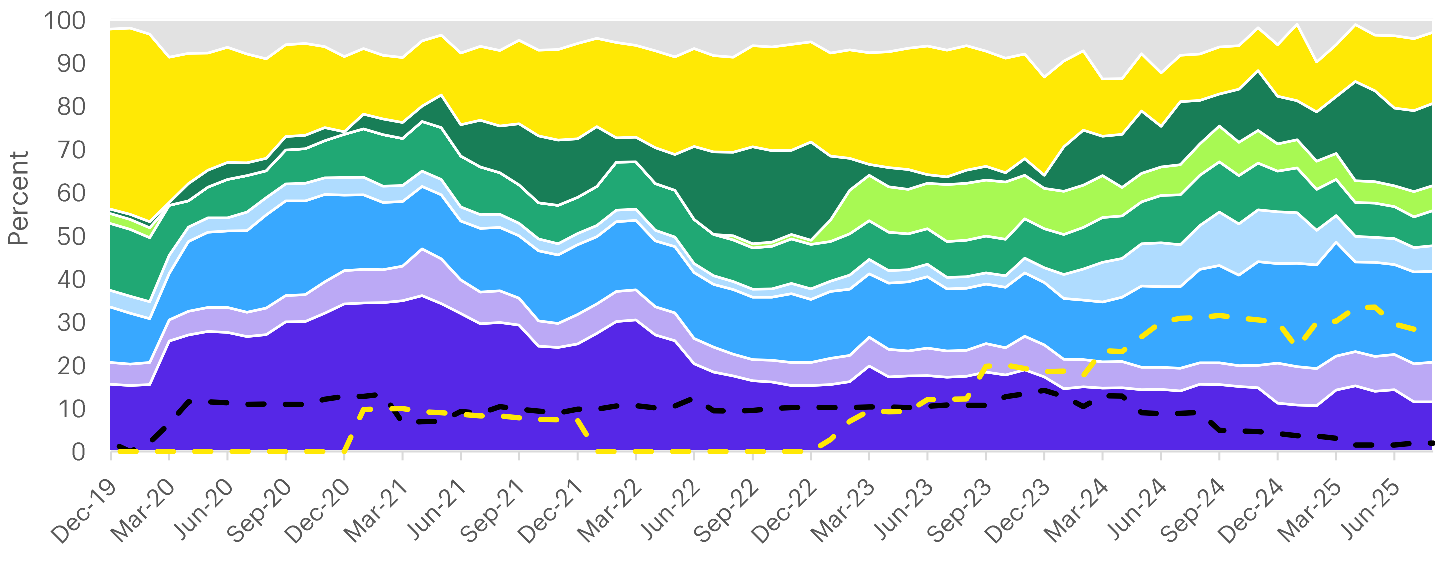
	Fund
Securitized	36.80
Treasuries	22.99
IG Corporates	20.21
HY Corporates	17.45
Sovereign	1.39
Local Authorities	0.80
Agencies	0.38
Derivatives	-0.02

Based on ending weights as of month-end. Source: Allspring Global Investments. Excludes cash & equivalents.

Monthly sector outlook & positioning as of 31 August 2025

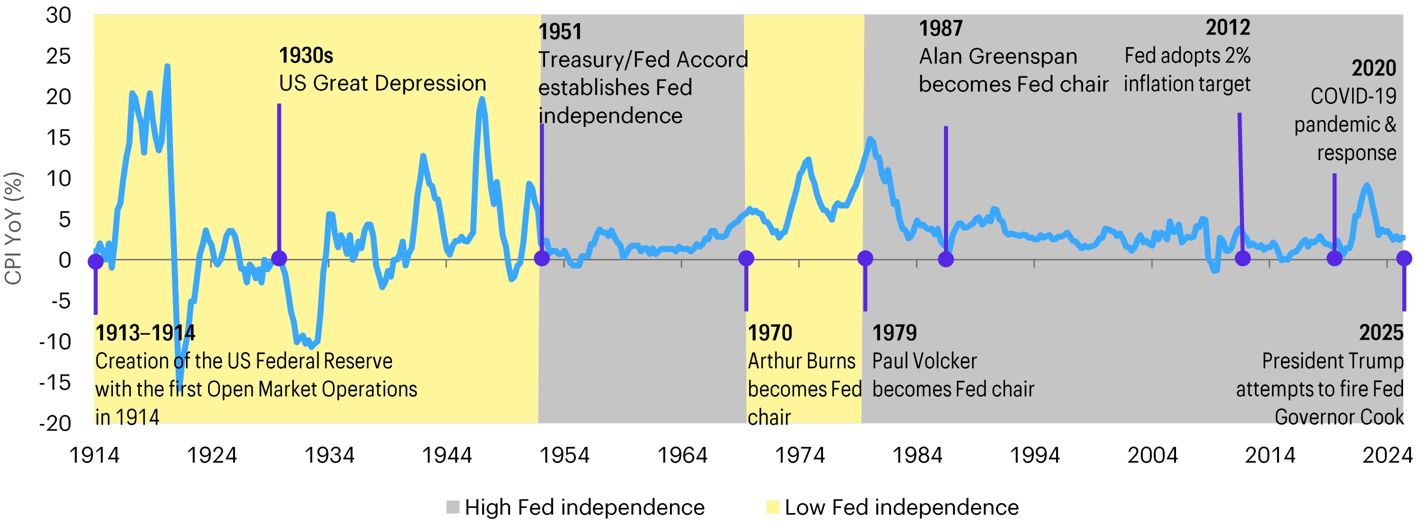
	Outlook	Current allocation	Position vs. "neutral"
Interest rates	We are overweight duration because we expect the curve to continue bull steepening as the Fed resumes rate cuts and long-term rates are pressured upwards by fiscal deficits and increasing policy uncertainty.	4.4 years duration	Overweight
Non-USD currencies	The US dollar has benefitted from a counter-trend rally recently, but if US Treasury yields start to decline, then we would expect the dollar to start weakening again.	3%	Neutral
US government related	Our position balances persistently high deficits, stubborn inflation, elevated supply and moderate growth expectations with the lack of better alternatives elsewhere.	19%	Overweight
Non-US DM government	Global government bonds have been underperforming US Treasuries, creating more attractive yields and better relative value. Favoured regions include Western Europe and Australia.	6%	Neutral
Securitised	This remains the highest-conviction allocation. The largest overweight exposures are to agency MBS and asset-backed securities.	45%	Overweight
US investment grade	The tariff-induced volatility of April has been completely unwound, leaving a market with very tight spreads. Despite that backdrop, we have found many individual swap opportunities, making it a good time for security selection.	21%	Neutral
European investment grade	European investment grade has performed relatively well in 2025. The resulting deterioration in relative value drove us to reduce the allocation earlier this year.	6%	Neutral
US high yield	After reducing the allocation during the rally in late April and May, we started gradually increasing it again this summer following its underperformance versus European high yield. Overall, valuations are still stretched and our positioning is defensive.	13%	Underweight
European high yield	European high yield outperformed US high yield this summer, which prompted us to begin reducing this allocation.	9%	Neutral
Emerging markets	Emerging market positioning has continued to be tilted towards local-currency government bond holdings, including those in Brazil, Colombia and Indonesia.	8%	Neutral

Sector allocations* as of 31 August 2025



Source: Allspring. *Represented by the Allspring Income Plus Strategy Composite. Weights may not add up to 100% due to CDX/TBA exposure. Cash equiv. & other includes collateral for derivative and TBA positions. As of the period-end, CDX represented 1.5% notional value of the exposure. Net of derivatives exposure and inclusive of TBAs.

Chart 1: Independence drives inflation-fighting credibility

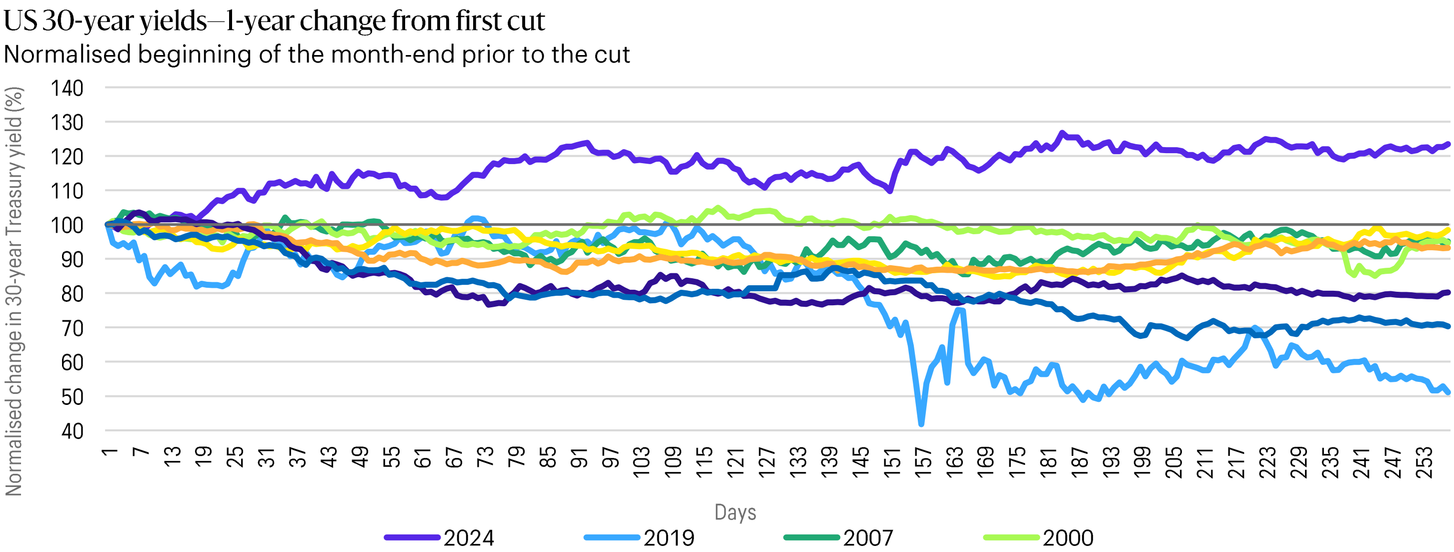


Sources: Bloomberg Finance L.P. and the Bureau of Labor Statistics. CPI = US CPI Urban Consumers YoY NSA (CPI YOY) Index. As at 31-Jul-25.

At the Kansas City Fed's annual Jackson Hole Economic Symposium, Chair Powell acknowledged that downside risks to employment are rising and highlighted the visible impact of tariffs on consumer prices. He described the inflationary effects as a "one-time shift in the price level", though he stressed that "one-time" does not mean "all at once". He noted that tariff increases take time to work through supply chains and distribution networks. As tariff rates continue to evolve, the potential adjustment process may also be prolonged. Powell's comments laid the foundation for continued rate cuts and markets responded by raising expectations for a September move.

That anticipation has pushed short-term yields lower, but the assault on Fed independence, however, has complicated the picture for long-term rates. Historically, rate cuts have led to a "bull steepening" of the yield curve with long-term rates falling alongside short-term ones. Chart 2 shows how the yield on the 30-year Treasury bond has changed in the year following a Fed rate cut over the last four decades. The most current period has seen the long end of the curve move higher as investors digest a variety of concerns. In addition to worries about the fiscal trajectory of the US, the amount of added Treasury bond issuance needed to cover continued deficits and weak demand for long bonds from international and institutional buyers, investors are now facing a threat to Fed independence.

Chart 2: The US long bond charts a different path



Source: Bloomberg Finance L.P. 30-year = Bloomberg US Generic Govt 30-Year (USGG30YR) Index. Normalised as at the month-end prior to the first Fed rate cut in each cutting cycle. The latest data series is normalised as at 30-Aug-24. As at 29-Aug-25.

These issues raise some questions as to the efficacy of current monetary policy. If the Fed lowers the overnight rate whilst rates out along the curve remain elevated, or even move higher, has it really made policy less restrictive? President Trump could end up getting the Fed cuts he wants but still be saddled with higher yields along the curve. That would keep government borrowing costs elevated and prevent the trillions of dollars in instruments benchmarked off rates along the curve from moving lower.

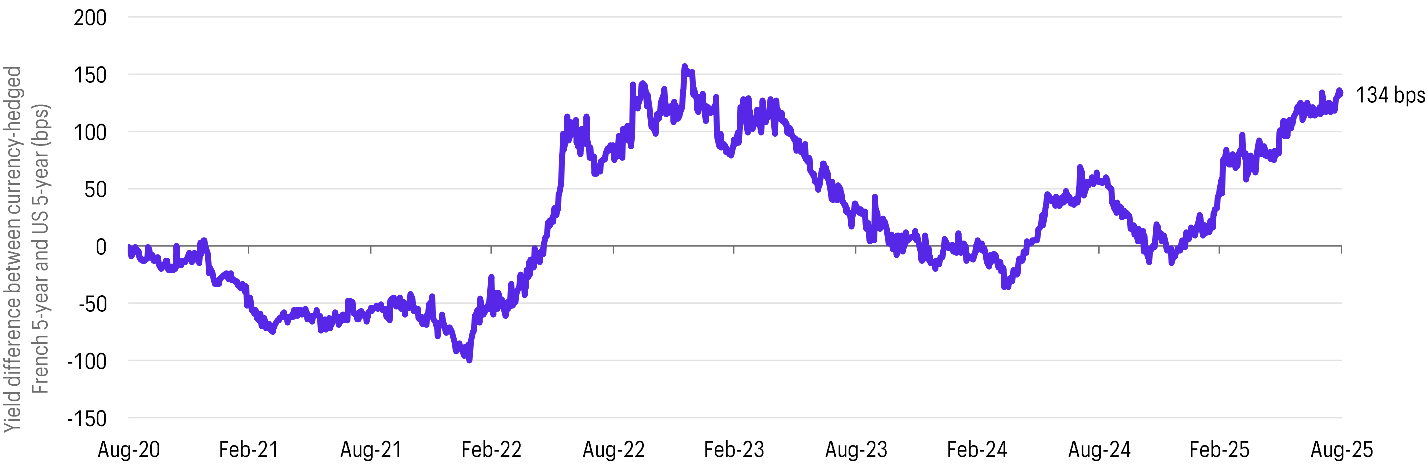
Whilst these pressures are playing out and the Department of Justice moves to investigate Governor Cook, risk markets keep surging. Equity markets continue to reach new all-time highs. Gold has risen more than 24% over the last year, also reaching new peaks. Credit spreads on US investment-grade bonds reached their tightest levels since the late 1990s during the month of August (Chart 3). Spread investors have only been paid less for taking credit risk on the Bloomberg US Credit Index 1% of the time over the last 20 years.

Chart 3: Credit compensation stays extremely low

Source: Bloomberg Finance L.P. US IG credit = Bloomberg US Credit (LUCROAS) Index. As at 31-Aug-25.

These tight valuations leave us less enthusiastic about credit exposure, particularly as there are other opportunities in the marketplace for us to source carry in the portfolio. A broad set of securitised investments remains a key element of our strategy today, offering diversification, liquidity and closer-to-historical-average spread compensation. The last month has also seen conditions shift in global rates markets, which may become more attractive to US-dollar-based investors. For example, currency-hedged yields for French government bonds relative to US Treasuries have risen back to their highest levels in two decades and currently offer nearly twice as much carry as US investment-grade credit (Chart 4).

Chart 4: Global rates markets offer opportunities for carry



Source: Bloomberg Finance L.P. Generic France 5-Year Government Bond (GTFRF5YR) Index, currency hedged less Generic United States 5-Year Government Note (GT5 GOVT) Index. As at 29-Aug-25.

Where this leaves us

The current market environment calls for a diversified approach with a preference for high-quality securities. After several years of rising interest rates, yields now offer attractive carry. However, the risk of policy missteps or even just policy uncertainty—whether through trade, immigration or monetary decisions—could disrupt markets or slow economic growth. In response, we've extended our duration positioning relative to our strategic neutral. Market technicals are showing signs of softening. International demand has waned, and investment-grade credit issuance remains near record highs. Whilst credit fundamentals are stable, valuations are stretched. With limited room for further spread tightening, we've tilted towards higher-quality holdings, as we believe investors are not being adequately compensated for taking on lower-rated risk. Relative performance has also shifted. We continue to consider the relative value opportunities presented by European credit versus their US counterparts. We remain on the lower end of our neutral allocation in those sectors, though we are aware that these relationships may continue to shift. Securitised sectors continue to play a central role in our strategy. We maintain broad diversification across these sectors, supported by favourable technicals. In particular, current coupon agency mortgage-backed securities (MBS) yields stand out as attractive relative to other fixed income opportunities.

Looking ahead, our macroeconomic view remains cautiously constructive. We expect slow but positive growth and continued demand for all-in yields to support valuations. However, uncertainty is likely to persist. In this environment, we remain focused on taking intentional, disciplined risks. Security selection is critical, and with most fixed income assets not obviously cheap, we continue to allocate capital with care. Flexibility is a priority. As volatility risks rise, we believe our diversified positioning equips us to take advantage of pricing dislocations—just as we did in the second quarter.

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1 Management fees and costs consist of annual management fee rate and capped recoverable expenses. For a detailed split of the fees and costs, please refer to the fund(s) PDS.

2 Inception date is 3 June 2025

3 Benchmark is the Bloomberg Global Aggregate Index.

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