

Performance report | December 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	0.23%	1.04%	3.12%

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)	5.85	8.15
Duration (yrs)	4.30	6.25
Weighted average coupon	5.34	3.11
Yield to worst	5.46%	3.52%

Sources: FactSet and Allspring Global Investments.

Geographic allocation (%)

	Fund	Benchmark ³
North America	70.00	44.29
Europe ex U.K.	12.47	22.81
Latin America	7.86	1.08
UK	3.72	4.46
Asia/Pacific ex-Japan	3.52	16.33
Diversified	1.57	2.64
Africa/Middle East	0.87	0.02
Japan	—	8.36

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

Duration distribution(%)

	Fund	Benchmark ³
0 to 12 months	4.62	0.61
1 to 3 years	43.75	27.71
3 to 5 years	33.08	21.83
5 to 7 years	7.60	17.06
7 to 10 years	5.75	14.95
10 years +	5.22	17.84

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

Top ten largest holdings (%)

	Fund
GNMA	8.11
U.S. Treasuries	6.73
GNMA	6.72
Umbs Tba 30yr 5% January Delivery	5.05
GNMA	2.75
U.S. Treasuries	2.08
Government of Brazil	1.95
Government of France	1.50
Government of Colombia	1.50
FHLMC	1.40

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 rating allocation (%)

	Fund	Benchmark ³
AAA/Aaa	2.29	12.18
AA/Aa	45.60	39.13
A/A	11.19	34.30
BBB/Baa	18.44	14.39
BB/Ba	13.77	—
B/B	5.96	—
CCC/Caa and below	1.96	—
Not rated	0.79	—

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

Credit asset class (%)

	Fund
Securitized	34.85
Treasuries	24.85
IG Corporates	20.25
HY Corporates	15.98
Government-related	4.06

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

ESG carbon characteristics

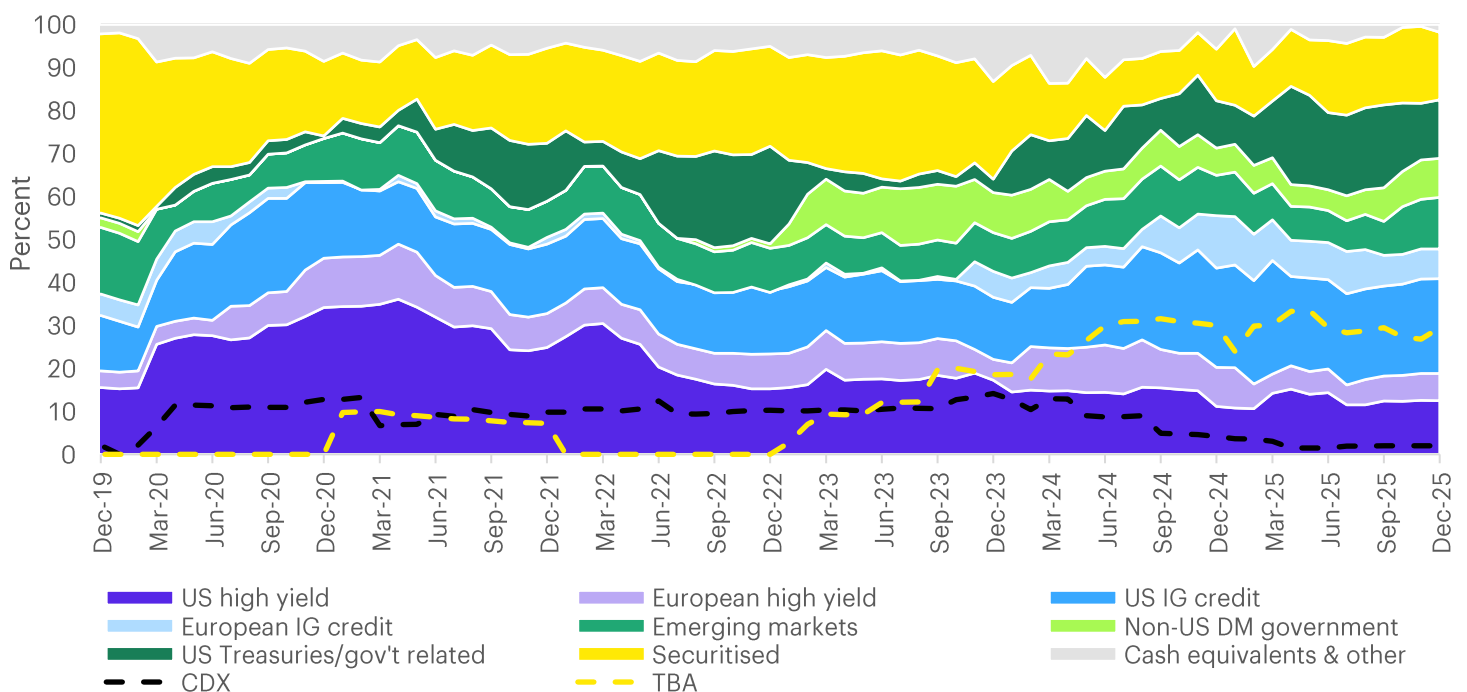
	Fund		Benchmark ³		% above /below benchmark
	Value	Coverage	Value	Coverage	
Carbon to value invested (metric tons CO ₂ e/ \$MM invested)*	60	45%	49	28%	21%
Weighted average carbon intensity (metric tons CO ₂ e/ \$1MM revenues)*	103	46%	145	28%	-29%

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

Monthly sector outlook & positioning as of 31 December 2025

	Outlook	Current allocation	Position vs. "neutral"
Interest rates	The portfolio remains neutral duration overall, but we added to the "steepener" in early December by increasing duration in the 2- to 5-year parts of the curve and decreasing duration in the 10- to 30-year parts of the curve.	4.0 years duration	Neutral
Non-USD currencies	The US dollar stabilised in the third quarter as better-than-expected growth data and strong market returns led by technology companies eased global investor anxiety.	1%	Underweight
US government related	Our position balances persistently high deficits, stubborn inflation, elevated supply and an improving growth outlook with the lack of better alternatives elsewhere.	14%	Neutral
Non-US DM government	We've been finding several opportunities in government bonds with 2- to 5-year maturities that are offering attractive currency-hedged yields, including in Singapore, the United Kingdom, France and Australia.	9%	Neutral
Securitised	Whilst this remains our highest-conviction allocation, MBS had a fantastic fourth quarter, which resulted in tighter spreads and less appealing valuations. As a result, MBS could be a source to fund opportunities in other sectors in 2026.	45%	Overweight
US investment grade	We started adding in September due to the incredibly strong technicals coupled with better-than-expected economic growth and earnings. We kept adding in the 4th quarter and are likely to continue doing so in early 2026 with the large number of new deals we expect to see in January.	22%	Neutral
European investment grade	European investment grade performed extremely well in 2025, resulting in a deterioration in relative value that drove us to reduce the allocation.	6%	Neutral
US high yield	The US high yield allocation has remained at this level for the last few months after modest increases earlier in 2025.	14%	Neutral
European high yield	European high yield has outperformed US high yield as well, making this a sector we've tapped to fund US credit purchases.	7%	Neutral
Emerging markets	Emerging market positioning has continued to be tilted towards local-currency government bond holdings, including those in Brazil and Colombia. We exited Indonesia following strong performance in that market but added positions in Mexico and the Czech Republic.	12%	Neutral

Sector allocations* as of 31 December 2025



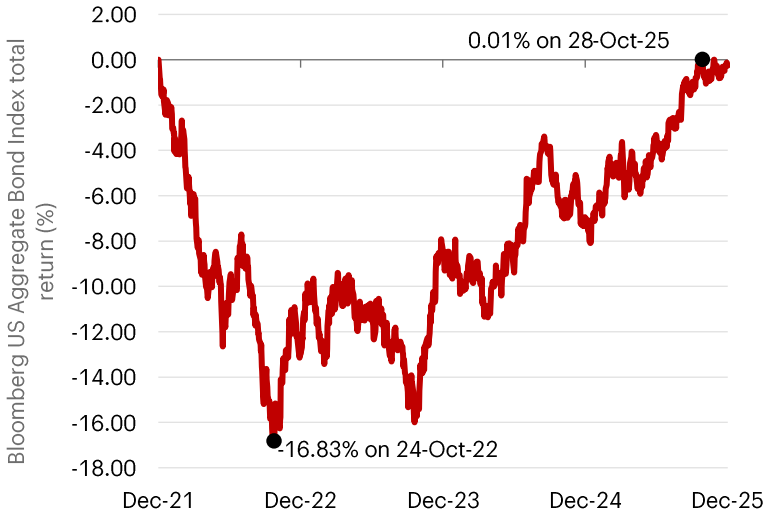
Source: Allspring. *Represented by the Allspring Income Plus strategy composite. Weights may not add up to 100% due to CDX/TBA exposure. Cash equivalents & other includes collateral for derivative and TBA positions. As at the period-end, CDX represented 2.0% notional value of the exposure. Net of derivatives exposure and inclusive of TBAs.

After a stellar year for bonds, what's on the horizon?

2025 was a banner year for investors. Stocks notched their third straight year of impressive gains whilst commodities surged across the board. Fixed income investors had plenty to celebrate, too, as the Bloomberg US Aggregate Bond Index posted its strongest annual performance since 2020, ranking as the fourth-best year since 2002. In the fourth quarter, the “Agg” officially clawed its way back from the historic 2022 drawdown, closing the chapter on its worst slump ever (Chart 1). The best part? Bond returns came the way investors like them: powered by income, with an extra boost from falling yields and tightening spreads.

Chart 1: The US “Agg” fights its way back to black

The Agg fights its way back to black



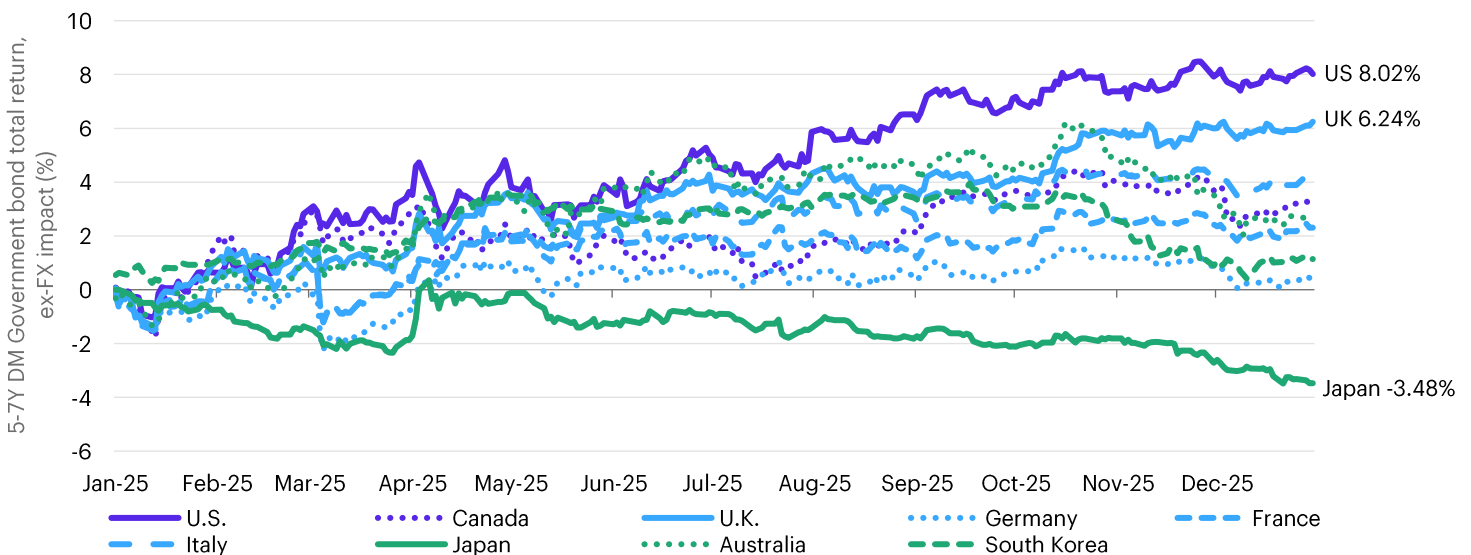
Source: Bloomberg Finance L.P. Bloomberg US Aggregate Bond (LBSTRUU) Index. As of 31-Dec-25.

Whilst positive total returns were broadly found in 2025, there were clear winners across the fixed income markets. Some of the major themes for the year were:

US rates > developed market rates

After the wild ride in US rates during 2024, 2025 was a smoother, and decidedly downwards, journey. The yield to worst on the Bloomberg US Treasury Index dropped more than 50 basis points (bps; 100 bps equal 1.00%), fuelling the strongest Treasury returns in five years. Curve positioning mattered, however. The yield on the 30-year US Treasury finished 2025 higher—as it has for five straight years. The US Federal Reserve (Fed) kept rates steady for most of the year before cutting rates 75 bps in the last four months of the year. Global rates joined the party, too (Chart 2). The UK performed better than headlines would have suggested, whilst Japan raised its policy rates for the first time since the Global Financial Crisis. That move steepened Japan’s yield curve and left local rate returns in the red. Some emerging market economies fared even better than the US, with Mexican, Brazilian and South African government bonds returning more than 15% (without the impact of currency) in 2025.

Chart 2: US rates outperformed other developed markets in 2025

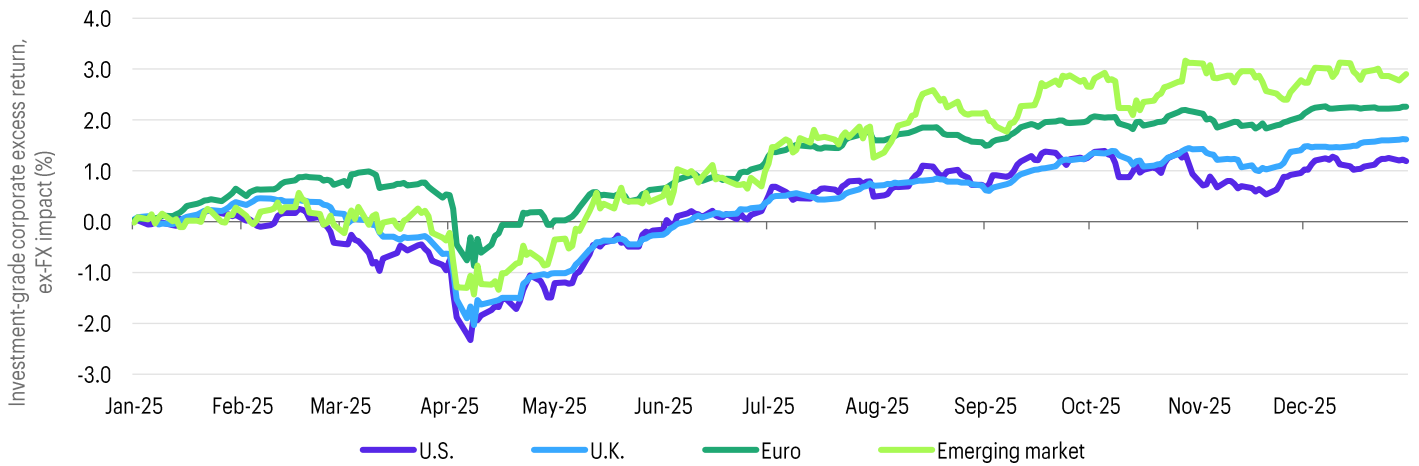


Source: Bloomberg Finance L.P. Bloomberg 5–7 Year US (I01677US) Index, Bloomberg 5–7 Year Canada Total Return (I01660CA) Index, Bloomberg 5–7 Year UK (I01674GB) Index, Bloomberg 5–7 Year France (I01664EU) Index, Bloomberg 5–7 Year Italy (I01669EU) Index, Bloomberg 5–7 Year Japan Total Return (I01671JP) Index, Bloomberg 5–7 Year Australian Total Return (I01681AU) Index, Bloomberg Global Treasury South Korea 5–7 Year (I28632KR) Index. As of 31-Dec-25.

Non-US credit > US credit

Credit told a different story in 2025. Non-US developed market credit outperformed US credit on excess returns (Chart 3). In the US, credit spreads started and ended the year near their tightest levels in two decades. The brief Tariff Tantrum in April caused some widening, but outside of that window, valuations stayed stretched, leaving little room for further compression. Europe, on the other hand, saw spreads tighten materially, driving stronger excess returns across the region. The European Central Bank cut rates by 100 bps in 2025 and did so earlier in the year, and new issue supply was more constrained in Europe whilst the US investment-grade issuance was at near-record levels in 2025. Emerging markets offered higher starting yields and demonstrated substantial resiliency throughout the year, particularly following the Tariff Tantrum.

Chart 3: Non-US credit produced stronger excess returns than the US



Source: Bloomberg Finance L.P. Bloomberg US Corporate Total Return (LUACTRUU) Index, Bloomberg Sterling Corporate (LC61TRGU) Index, Bloomberg Euro-Aggregate Corporate (LECPTRU) Index, Bloomberg Emerging Markets USD Aggregate: Investment Grade (I04276US) Index. As of 31-Dec-25.

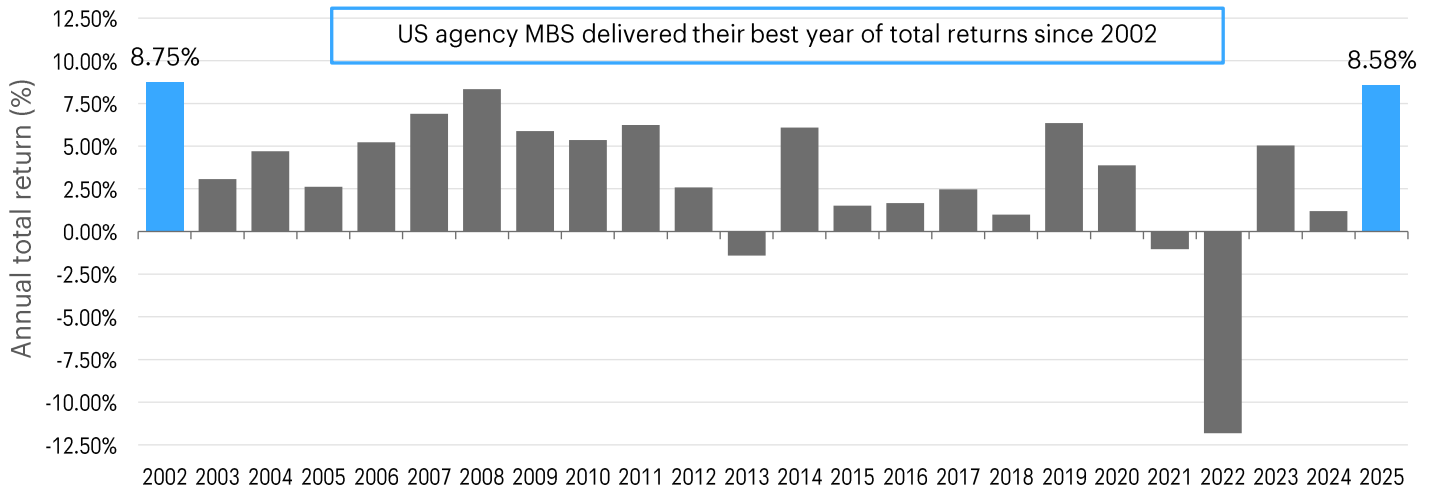
High yield > investment grade

The “soft landing” scenario of slowing but still-positive growth, easing inflation and low recession risk provided a strong macroeconomic backdrop for high yield markets in 2025. Default rates, which peaked in 2023, kept trending lower, and as recession fears faded, investors priced in less downside risk. Whilst several central banks cut policy rates, long-end yields stayed volatile and many curves steepened. High yield’s lower duration helped, allowing it to benefit from carry and spread compression throughout the year. Demand stayed strong as investors chased the higher all-in yields that the high yield asset class offers. These factors led to high yield outperforming investment-grade credit in 2025.

Securitised > credit

Securitised sectors shined in 2025. Attractive carry, strong starting yields and steady spread compression powered performance throughout the year. A benign macroeconomic backdrop helped—cash flows stayed solid, loss expectations declined and US housing proved resilient with home prices holding firm despite higher mortgage rates. Delinquencies ticked up but remained well below long-term levels. Issuance was disciplined, keeping net supply more manageable. These tailwinds drove US agency mortgage-backed securities (MBS) to deliver their best year of total returns since 2002 and strongest excess returns since 2010 (Chart 4).

Chart 4: US agency MBS delivered their best year of returns in more than 20 years



Source: Bloomberg Finance L.P. Bloomberg US MBS (LUMSTRUU) Index. As of 31-Dec-25.

We've favoured this sector for several quarters thanks to its steady carry, deep liquidity and high quality and found valuations more compelling than US investment-grade credit or US Treasuries. 2025's strong performance significantly tightened spreads (Chart 5) and rate volatility fell to its lowest level in four years (Chart 6). The net result is that agency MBS is now relatively less attractive than it has been. We began to trim our positioning in this sector in the fourth quarter.

Chart 5: MBS spreads gapped tighter in 2025

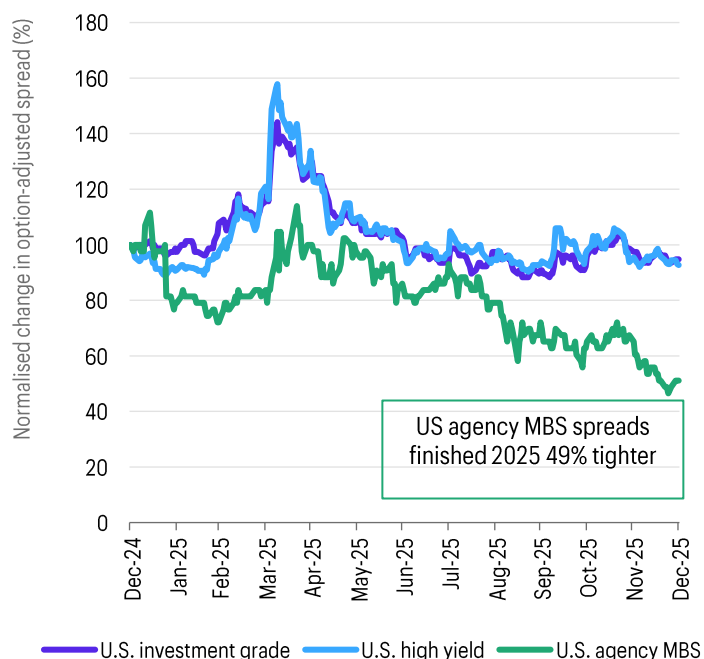
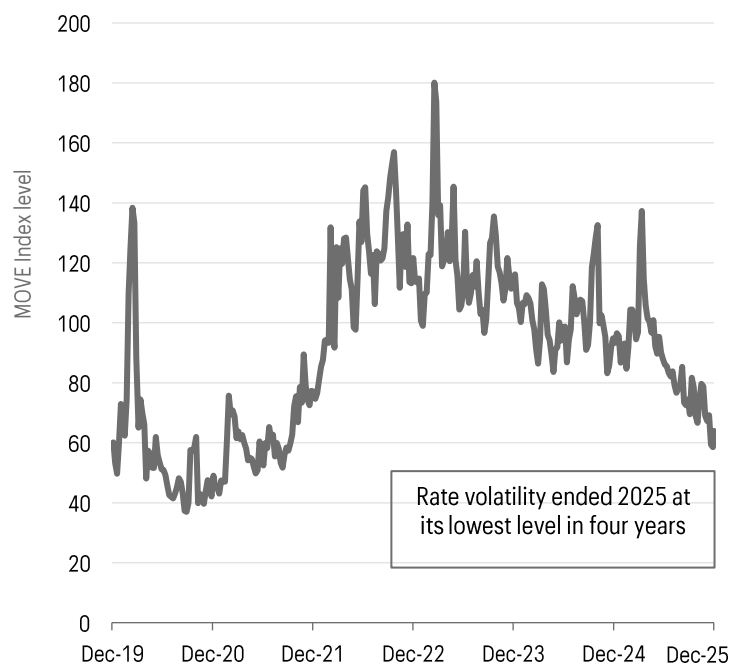


Chart 6: Rate volatility fell sharply in 2025



Source: Bloomberg Finance L.P. Normalised change in option-adjusted spreads for Bloomberg US Credit (LUCROAS) Index, Bloomberg US Corporate High Yield (LF98OAS) Index, Bloomberg US MBS (LUMSOAS) Index. Normalised as of 31-Dec-24. ICE BofA MOVE (MOVE) Index. As of 31-Dec-25.

Investors turn the page

2026 begins with spreads close to where they began 2025 and yields modestly lower, offering the chance for another healthy year of total returns with bond-like downside from fixed income. So, how do we see the first half shaping up? To answer that, we turn to our trusty "Big Six" framework (Figure 1). This tool helps us cut through the noise by distilling hundreds of data series—and our team's collective fixed income insight—into a single, coherent sentence. It's our way of seeing both the forest and the trees, without getting lost in either.

Here's the current read: the economy looks resilient, supported by elevated fiscal deficits, a dovish monetary stance and long-term secular growth drivers like artificial intelligence (AI). Risks, such as subdued hiring demand and stubborn inflation, remain but overall conditions favour growth. Corporate fundamentals remain healthy and strong demand for income should absorb near-record bond issuance. Inflation progress has stalled above target, but we expect progress on disinflation to progress in 2026. A divided Fed will get a new leader in May 2026, and whilst the new chair may skew more dovish, the Fed is, for now, still beholden to economic data to drive policy decisions. That's why we see continued opportunity in risk markets and selective credits in the first half of 2026.

Looking ahead, risks could build in the back half of the year. Lagged trade-related impacts may weigh on growth or employment, and mid-term political cycles could spark volatility. Recent geopolitical events in the Caribbean add another layer of uncertainty. Markets have shrugged them off so far, but the situation bears watching.

Figure 1: The Big Six

01	Growth	Growth set to accelerate in the first half of 2026
02	Employment	Labour market continues to be defined by a low hire and low fire environment
03	Inflation	Inflation lingers at above-target levels
04	Monetary	Fed reiterates a gradual and data-dependent easing path as attention shifts to the upcoming chair announcement
05	Fiscal	Elevated US deficit continues to support growth
06	International	Global fiscal stimulus is becoming a key support for growth

Source: Allspring. As of 31-Dec-25.

Get in touch

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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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