Performance report | January 2026

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	6 mnths	Since inception [2] pa
Fund	0.53%	1.13%	3.57%	3.66%

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)	5.93	8.13
Duration (yrs)	4.43	6.23
Weighted average coupon	5.38	3.12
Yield to worst	5.61%	3.53%

Sources: FactSet and Allspring Global Investments.

Geographic allocation (%)

	Fund	Benchmark[3]
North America	67.16	43.87
Europe ex U.K.	12.78	23.15
Latin America	8.15	1.12
UK	4.45	4.44
Asia/Pacific ex-Japan	4.55	16.38
Diversified	2.05	2.70
Africa/Middle East	0.87	0.02
Japan	—	8.31

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

Duration distribution(%)

	Fund	Benchmark[3]
0 to 12 months	4.61	0.62
1 to 3 years	40.10	27.62
3 to 5 years	31.73	21.94
5 to 7 years	8.70	16.99
7 to 10 years	8.13	15.08
10 years +	6.74	17.75

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

Credit rating allocation (%)

	Fund	Benchmark[3]
AAA/Aaa	4.70	12.37
AA/Aa	42.39	38.81
A/A	10.87	34.40
BBB/Baa	19.43	14.42
BB/Ba	13.55	—
B/B	5.78	—
CCC/Caa and below	2.50	—
Not rated	0.78	—

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)*	62	46%	50	28%	25%
Weighted average carbon intensity (metric tons CO2e/ $1MM revenues)*	115	46%	146	28%	-21%

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

Top ten largest holdings (%)

	Fund
FNMA	7.99
GNMA	6.65
Umbs Tba 30yr 5% February Delivery	5.00
U.S. Treasuries	2.99
GNMA	2.72
U.S. Treasuries	2.05
Government of Brazil	2.04
European Union	1.52
Government of Colombia	1.51
Government of France	1.51

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 (%)

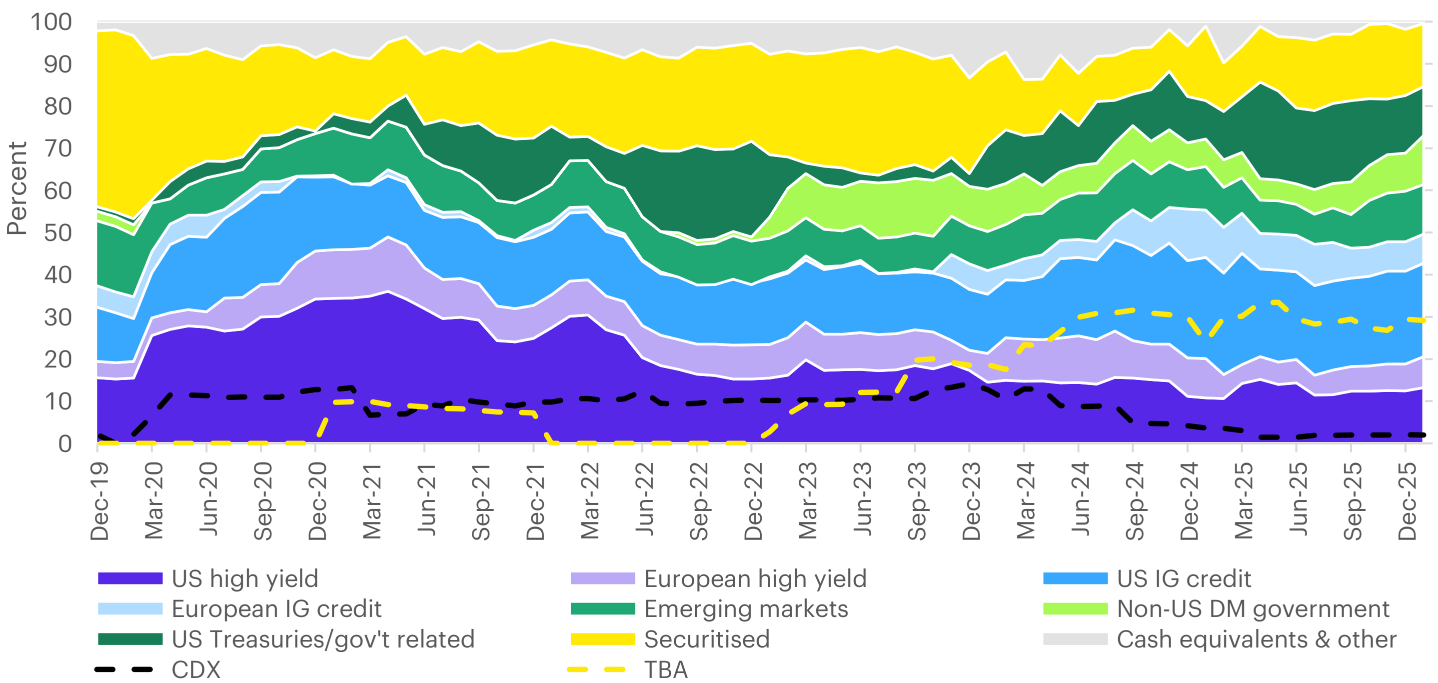
	Fund
Securitized	34.59
Treasuries	23.53
IG Corporates	20.92
HY Corporates	16.23
Government-related	4.72

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

Monthly sector outlook & positioning as of 31 January 2026

	Outlook	Current allocation	Position vs. "neutral"
Interest rates	The portfolio remains neutral duration overall, but we reduced the "steepener" in January by decreasing duration in the 2-year part of the curve and increasing duration in the 10-year. The portfolio continues to overweight the 5-year and underweight the 30-year.	4.2 years duration	Neutral
Non-USD currencies	The US dollar came under renewed pressure in January, driven partly by declining interest rate differentials following the Fed's 4Q interest rate cuts, as well as increasing geopolitical concerns related to Greenland.	1%	Underweight
US government related	Our position balances persistently high deficits, stubborn inflation, elevated supply and an improving growth outlook with the broader opportunity set.	12%	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.	12%	Neutral
Securitised	The MBS sector had a fantastic fourth quarter and strong start out of the gate in 2026. There remain good opportunities in MBS, as well as other securitised sub-sectors. However, the significantly lower MBS spreads led to an additional 2.5% reduction in January, bringing the total decline in MBS to 4% over the last three months.	44%	Overweight
US investment grade	We trimmed US investment-grade corporates in January by a little over 1% as spreads tightened, relative value diminished and record supply was digested by the market without concern.	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.	7%	Neutral
US high yield	Low volatility and tight US high yield spreads have resulted in low and stable allocations for this sector over the last several months.	15%	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. In the fourth quarter of 2025, 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 January 2026



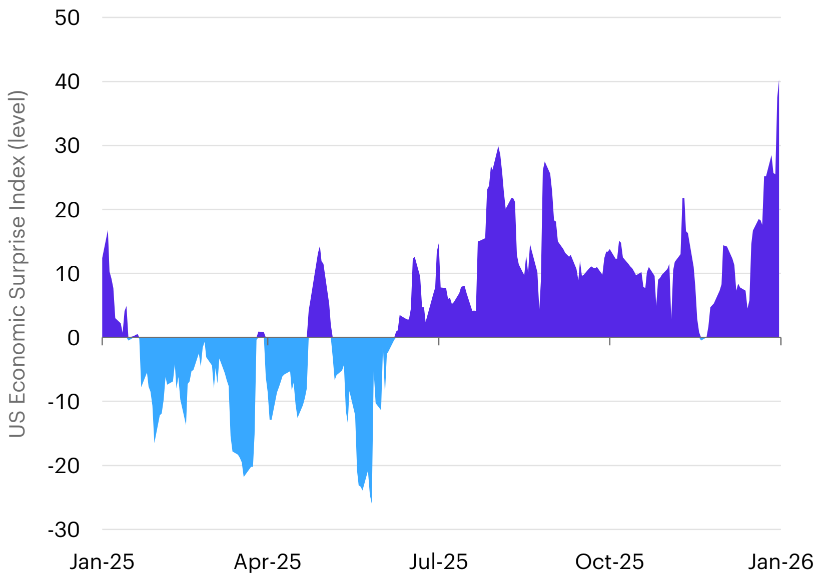
Source: Allspring. *Represented by the Allspring Income Plus strategy composite. Weights may not add up to 100% due to CDX/TBA exposure. Cash equivalents & other includes collateral for derivative and TBA positions. As at the period-end, CDX represented 2.0% notional value of the exposure. Net of derivatives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

Walking the line between "fine" and "fantastic"

"What moves markets is not the fundamentals on their own, but fundamentals relative to expectations". —Howard Marks

Expectations matter. A person's frame of reference shapes how they interpret the world, and the same is true for markets. In recent quarters, benign fundamentals have cleared the hurdle of mediocre expectations, pushing asset valuations to lofty levels. Over the last year, and in particular since "Liberation Day", measures such as The Conference Board's Consumer Confidence Index and the University of Michigan Consumer Sentiment Index have plunged to their lowest levels in years. Modest expectations have allowed the Citi US Economic Surprise Index to consistently beat the lowered bar (Chart 1). Since April, many data series for growth, sales and earnings have consistently been described as "higher than expected", allowing risk assets room to appreciate.

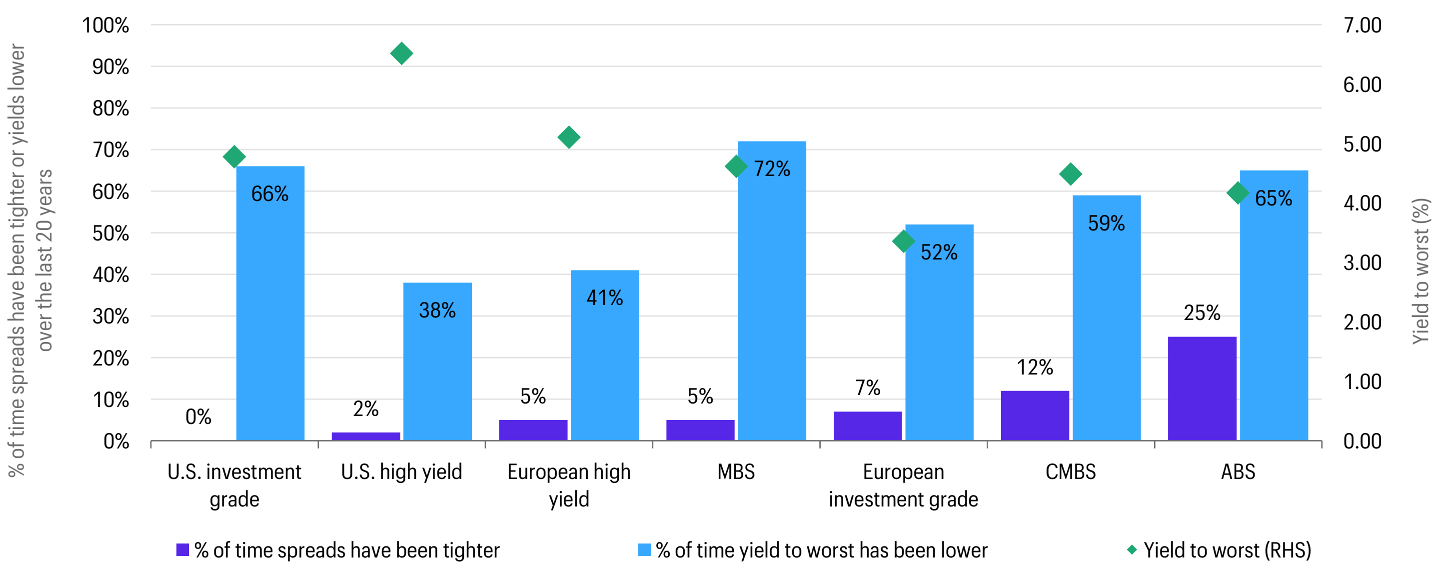
Chart 1: Fine data clears the hurdle of low expectations



Source: Bloomberg Finance L.P. Citi Economic Surprise – United States (CESIUSD) Index. As at 31-Jan-26.

It's not that the results have been bad. Across global bond markets, fundamentals remain generally solid. Leverage is manageable, coverage ratios are healthy and most credit metrics are still supportive—though weaker than five years ago and likely past their cycle peak. The challenge for investors today is the gap between "fine" fundamentals and "fantastic" pricing. Many securities are effectively priced for nearly perfect outcomes with valuations across a wide range of sectors hovering near multi-decade lows (Chart 2). This should prompt investors to be more discerning. We are comfortable maintaining allocations to investment-grade credit despite the historically tight valuations due to our belief that fundamentals should remain healthy in the first half of the year and that the market offers many opportunities for security selection. But not all credit sectors have the same benign backdrop.

Chart 2: Yields are attractive whilst spreads are near multi-decade-tight levels

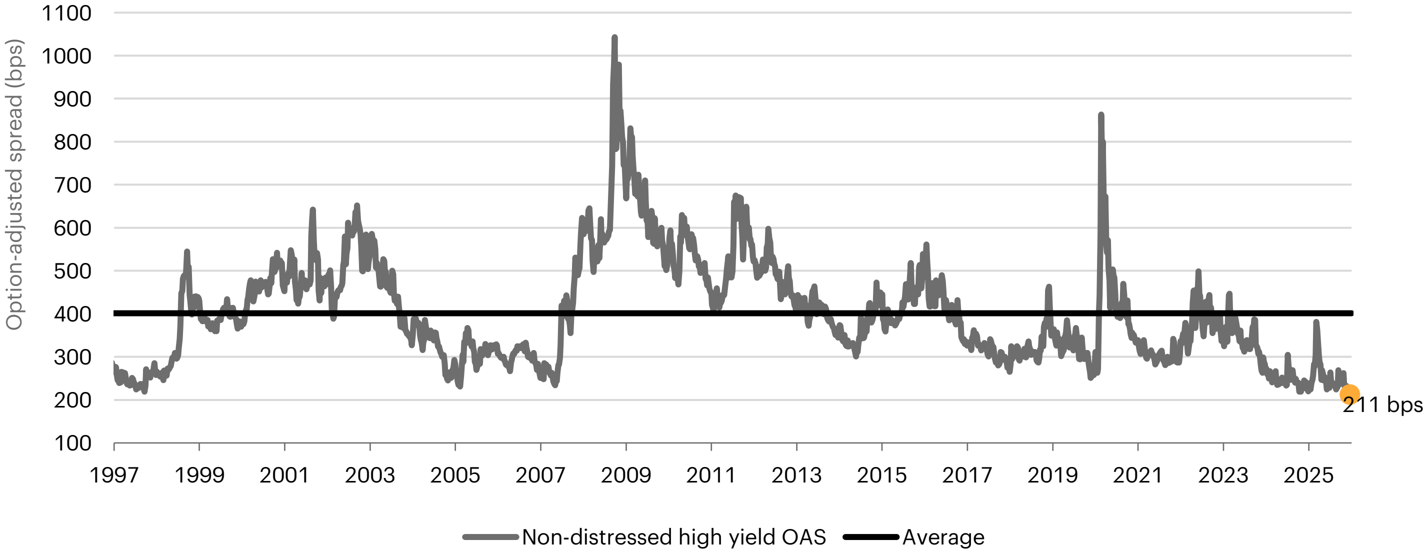


Source: Bloomberg Finance L.P. US investment grade = Bloomberg US Credit (LUCROAS) Index, US high yield = Bloomberg US Corporate High Yield (LF98OAS) Index, European high yield = Bloomberg Pan European High Yield (LP01OAS) Index, European investment grade = Bloomberg Pan European Agg Corporate (LP05OAS) Index, Mortgage-backed securities (MBS) = Bloomberg US MBS (LUMSOAS) Index, Asset-backed securities (ABS) = Bloomberg US Agg ABS (LUABOAS) Index, Commercial mortgage-backed securities (CMBS) = Bloomberg US Agg CMBS (LUCMOAS) Index. As at 31-Jan-26.

High yield credit market valuations continue to outshine healthy fundamentals and tail risks, largely driven by relentless demand for yield. Issuance remained exceptionally strong through 2025 and has carried into early 2026. A recent deal from Men's Wearhouse illustrates just how far this demand reaches. The B+/B1-rated retailer—best known for prom rentals and suits in an increasingly casual world—issued US$1.1 billion in bonds and loans primarily to fund a US$700 million dividend to management whilst refinancing older debt. Despite questionable use of proceeds for an issuer with numerous fundamental concerns and low asset coverage, the bonds were 10x oversubscribed, tightening 100 basis points (bps; 100 bps equal 1.00%) from initial talk to price at a 9% coupon.

The broad high yield market is telling the same story. The ICE BofA Non-Distressed High Yield Index saw spreads hit their tightest level on record last month (Chart 3). US investment-grade and high yield spreads spent much of 2025 near multi-decade lows, offering investors taking idiosyncratic risk historically thin compensation whilst European credit performed well due to modest spread tightening through the year.

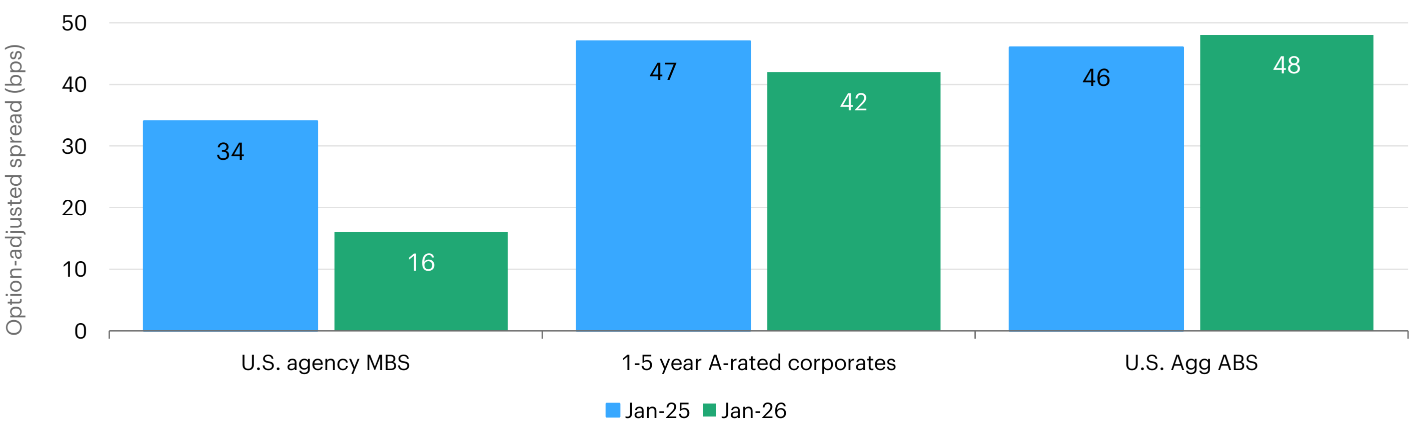
Chart 3: The demand for yield drives non-distressed credit spreads to all-time tights



Sources: Bloomberg Finance L.P. and ICE Bank of America. ICE BofA Non-Distressed High Yield (H0ND) Index. As at 31-Jan-26.

One standout sector has been US agency MBS, where spreads have compressed more than 50% over the last year (Chart 4). That move delivered the sector's best annual total return in more than two decades—and 2026 has started strong as well. Spreads snapped tighter last month after President Trump directed the government-sponsored enterprises to purchase US$200 billion in agency MBS this year, roughly offsetting the Federal Reserve's (Fed's) annual mortgage runoff. Whilst questions remain—timing of purchases, targeted securities, potential renewed bank demand—the asset class still offers a deep, liquid market with meaningful opportunities for security selection.

Chart 4: US agency MBS spreads tightened sharply over the last year



Source: Bloomberg Finance L.P. US agency MBS = Bloomberg US MBS (LUMSTRUU) Index, 1-5 year A-rated corporates = Bloomberg US Corp 1-5 Year A (I35107US) Index, US Agg ABS = Bloomberg US Agg ABS (LUABTRUU) Index. As at 31-Jan-26.

With valuations looking fantastic and fundamentals looking fine, investors should stay alert. Carry can support performance when fundamentals hold, but tight spreads leave little cushion. Any widening can quickly overpower carry, especially for portfolios heavy in spread duration. Given this, we are positioning portfolios with an eye towards constraining spread duration and maintaining ample liquidity.

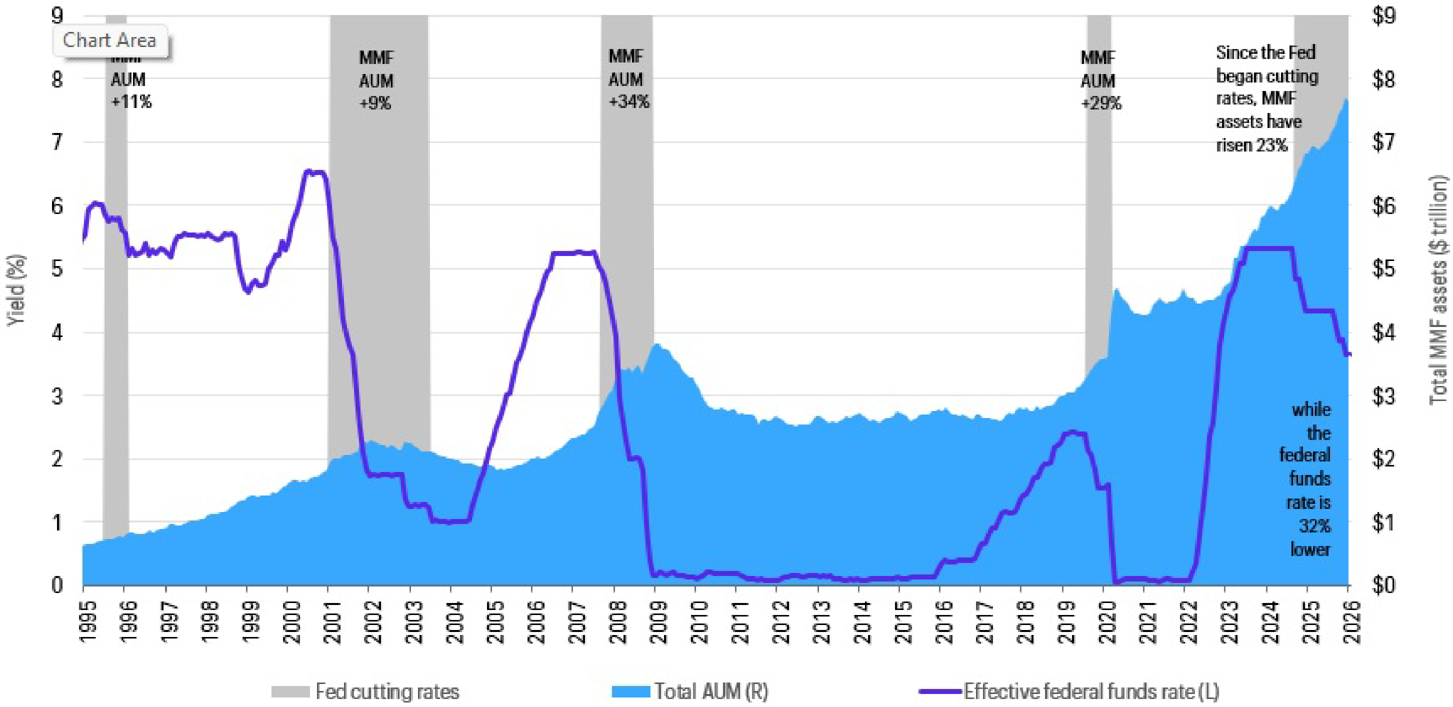
The Fed: Under pressure and on hold

The Fed entered 2026 under growing political stress. The US Department of Justice announced a criminal probe tied to construction of the Fed's D.C. headquarters—a move Chair Powell publicly linked to pressure to cut rates. Tensions escalated as Senate Republicans held up consideration of Trump's Fed nominees, and Powell highlighted the Supreme Court's pending case on Governor Lisa Cook as potentially "the most important legal case in the history of the Federal Reserve".

Markets initially welcomed the clarity brought by Kevin Warsh's nomination for the Fed chair. However, uncertainty quickly resurfaced as his apparent preference for lower rates, a reduced role for the Fed's balance sheet and greater coordination between the Fed and the US Treasury appeared at odds with the traditional central bank focus on controlling inflation and supporting employment.

At its latest meeting, the Federal Open Market Committee kept rates at 3.50–3.75% after three consecutive cuts. Chair Powell described policy as "loosely neutral", suggesting the Fed may now be near its perceived neutral range. Markets expect the next cut in June—after Powell's term ends. Despite front-end rates falling 32% from September 2024, investors continue shifting into money market funds (MMFs), where assets have climbed 23% over the same period (Chart 5).

Chart 5: The Fed pauses, MMFs keep growing



Sources: iMoneyNet, Bloomberg Finance L.P. and Allspring. As at 31-Jan-26.

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

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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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