

Performance report | July 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 pa
Fund	N/A	N/A	N/A

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)	6.93	8.39
Duration (yrs)	4.26	6.33
Weighted average coupon	5.46	3.04
Yield to worst	5.95%	3.57%

Sources: FactSet and Allspring Global Investments.

Geographic allocation (%)

	Fund	Benchmark ³
North America	70.38	43.84
Europe ex U.K.	13.02	22.81
UK	6.49	4.30
Latin America	5.12	1.00
Asia/Pacific ex-Japan	2.62	16.18
Diversified	0.86	2.62
Africa/Middle East	0.59	0.02
Japan	0.53	9.23
Derivatives	0.39	—

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

Top ten sector weights (%)

	Fund	Benchmark ³
MBS	28.19	10.01
Treasuries	22.03	53.79
Financials	12.93	6.67
ABS	6.54	0.20
Consumer discretionary	5.92	1.45
Communication services	5.30	1.23
Energy	3.56	1.10
Information technology	2.48	1.19
Utilities	2.38	1.67
CMBS	2.24	0.62

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

Top ten largest holdings (%)

	Fund
UMBS TBA 30yr 6% August Delivery	6.61
U.S. Treasuries	4.22
GNMA	4.22
GNMA	3.74
GNMA	3.70
U.S. Treasuries	2.30
GNMA	2.01
FHLMC	1.91
Government of France	1.84
US Treasuries	1.81

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
AA/Aaa	3.67	12.11
AA/Aa	45.51	42.44
A/A	7.90	30.34
BBB/Baa	19.77	15.12
BB/Ba	12.78	—
B/B	6.34	—
CCC/Caa and below	1.87	—
Not rated	1.78	—

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

Credit asset class (%)

	Fund
Corporate bonds	38.60
MBS	28.19
Treasuries	22.03
ABS	6.54
CMBS	2.24
Sovereign	1.34
Agencies	0.27
Supranational	0.40
Derivatives	0.39

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

ESG carbon characteristics

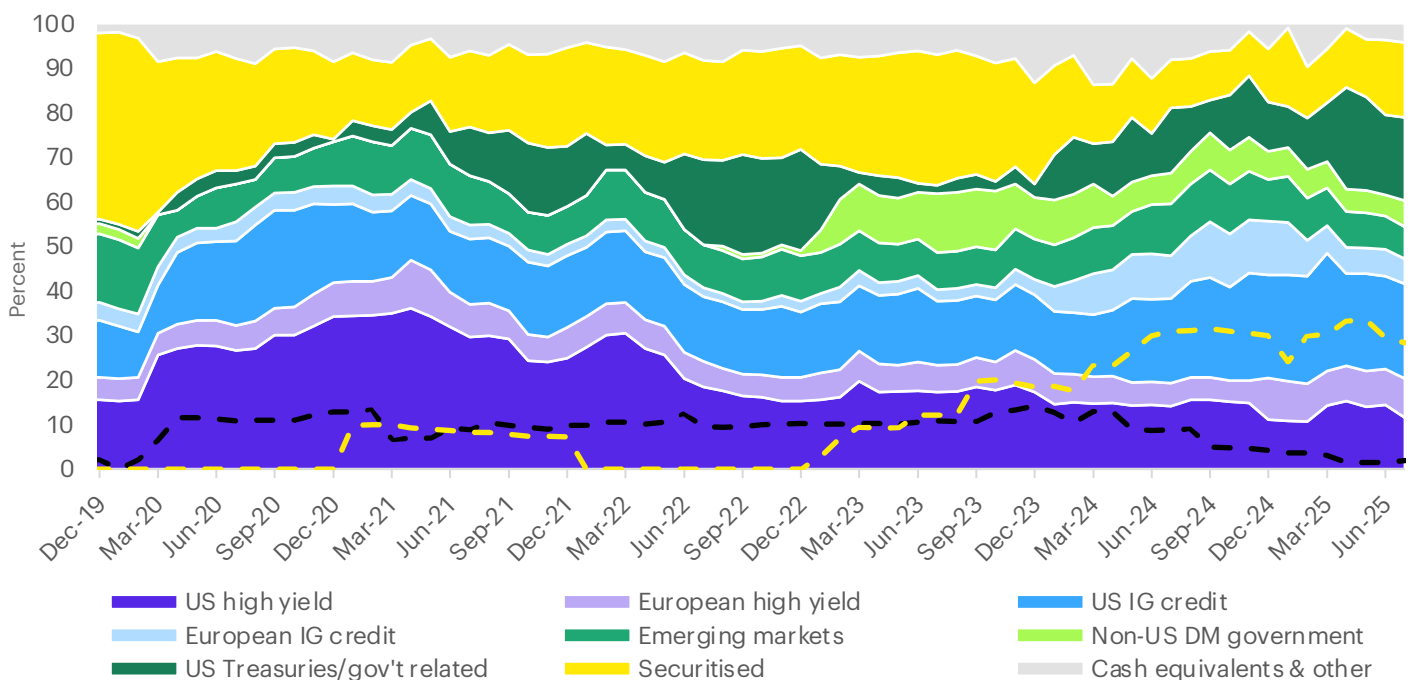
	Fund		Benchmark ³		% above /below benchmark
	Value	Coverage	Value	Coverage	
Carbon to value invested (metric tons CO ₂ e/ \$MM invested)*	75	37%	60	22%	25%
Weighted average carbon intensity (metric tons CO ₂ e/ \$1MM revenues)*	120	37%	175	22%	-32%

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

Monthly sector outlook & positioning as of 31 July 2025

	Outlook	Current allocation	Position vs. "neutral"
Interest rates	Duration is modestly overweight, driven by a favourable view on the five-year part of the curve, partially offset by an underweight to maturities longer than 10 years.	4.3 years duration	Overweight
Non-USD currencies	The US dollar has weakened meaningfully as US trade, defense and fiscal policy becomes increasingly uncertain and investors outside the US look to keep more capital closer to home.	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	We added new exposure in Australia, where recent relative underperformance and some signs of improving inflation dynamics created an attractive opportunity.	6%	Neutral
Securitised	This remains the highest-conviction allocation. The largest overweight exposures are to agency MBS and asset-backed securities, with a smaller overweight to non-agency MBS as well.	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 increasing this allocation during the spread widening in early April, we reversed course and reduced exposure in late April and May. Relative underperformance versus EUR high yield in July has started to improve relative valuations more recently.	12%	Underweight
European high yield	European high yield outperformed US high yield in July, making this a sector we could look to reduce again.	10%	Neutral
Emerging markets	Emerging market positioning continues to be tilted towards local-currency government bond holdings, including those in Brazil, Colombia and Indonesia.	7%	Neutral

Sector allocations* as of 31 July 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.

Market and fund commentary

Markets should be careful what they wish for

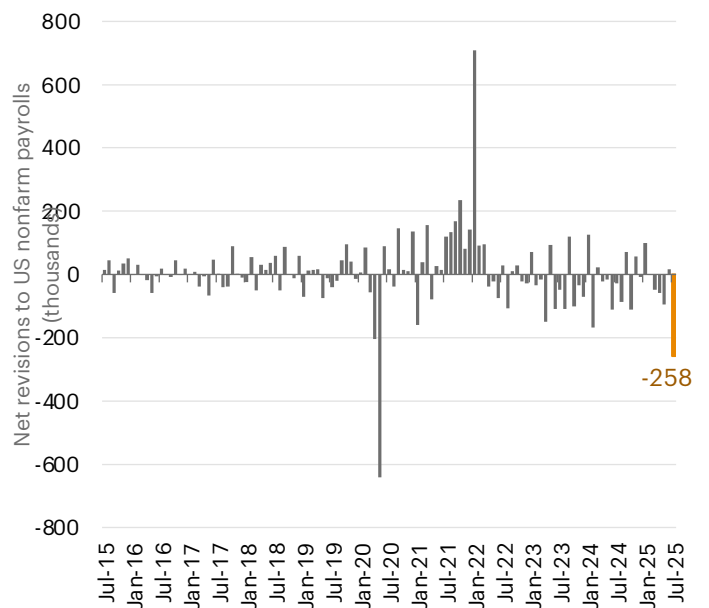
The first half of 2025 was marked by investors seeking clarity in the face of significant policy uncertainty. The good news is that much of this uncertainty has now been resolved—an outcome markets initially welcomed, as valuations surged in response. However, investors may need to be cautious about what they wish for. The resolution has come with a policy mix that could dampen growth and stoke inflation, particularly in areas like tariffs and immigration.

July's jobs report underscores this concern. It was one of the weakest in recent years, suggesting that the earlier uncertainty may now be manifesting in economic data. Notably, backward revisions to nonfarm payrolls were sharply negative—the largest downward adjustment outside of the pandemic in the last decade (see Chart 1). This isn't just noise, it's a substantial change in labour market momentum, and as a result, the narrative around the US labour market has shifted meaningfully.

Chart 2 tracks the monthly change in nonfarm payrolls alongside the three-month moving average (3MMA), revealing a clear slowdown in job creation. Outside of the pandemic period, the current pace is the weakest since September 2010.

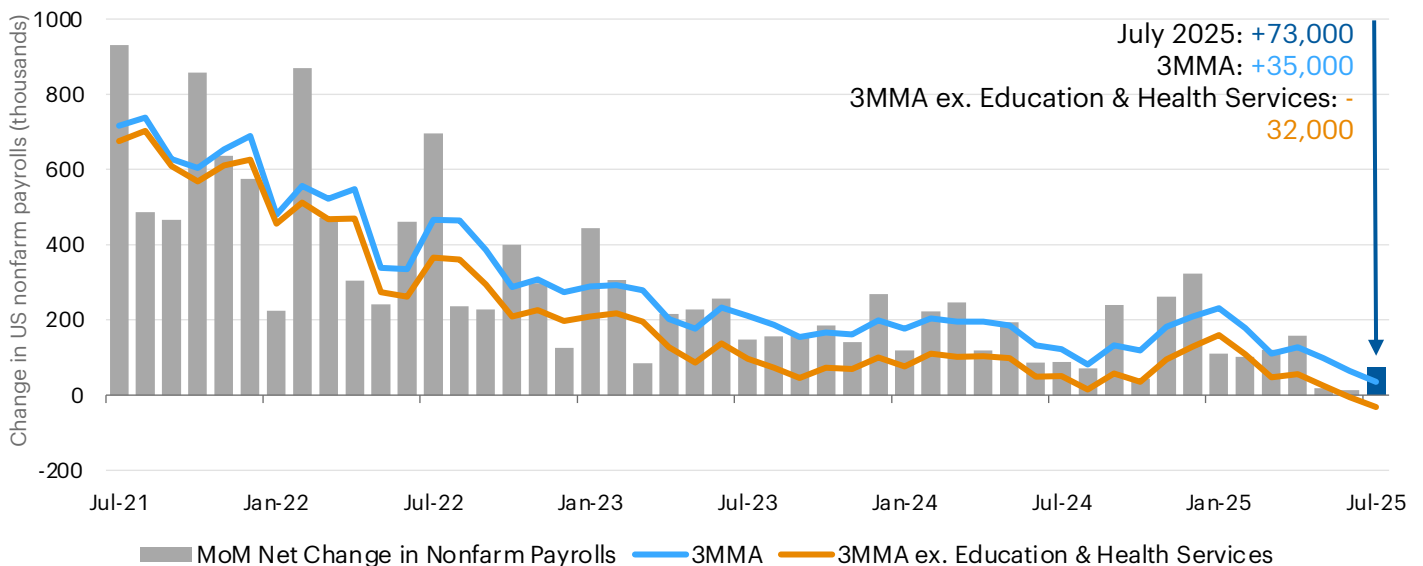
More notably, the breadth of hiring has narrowed significantly. When excluding gains in education and health services—sectors often less sensitive to cyclical shifts—job growth has been negative for three consecutive months. This sharp deceleration raises important questions about the durability of recent market optimism. It also underscores how cautiously private employers are approaching hiring amid shifting economic conditions and evolving policy expectations. For investors, this trend may signal a more fragile labour market than headline figures suggest, with potential implications for consumer demand, corporate earnings and overall risk sentiment.

Chart 1: Revised data paints a different picture of US jobs market



Source: Bloomberg Finance L.P. Net revisions to Nonfarm Payrolls (ECONGECC) Index. As of 01-Aug-25.

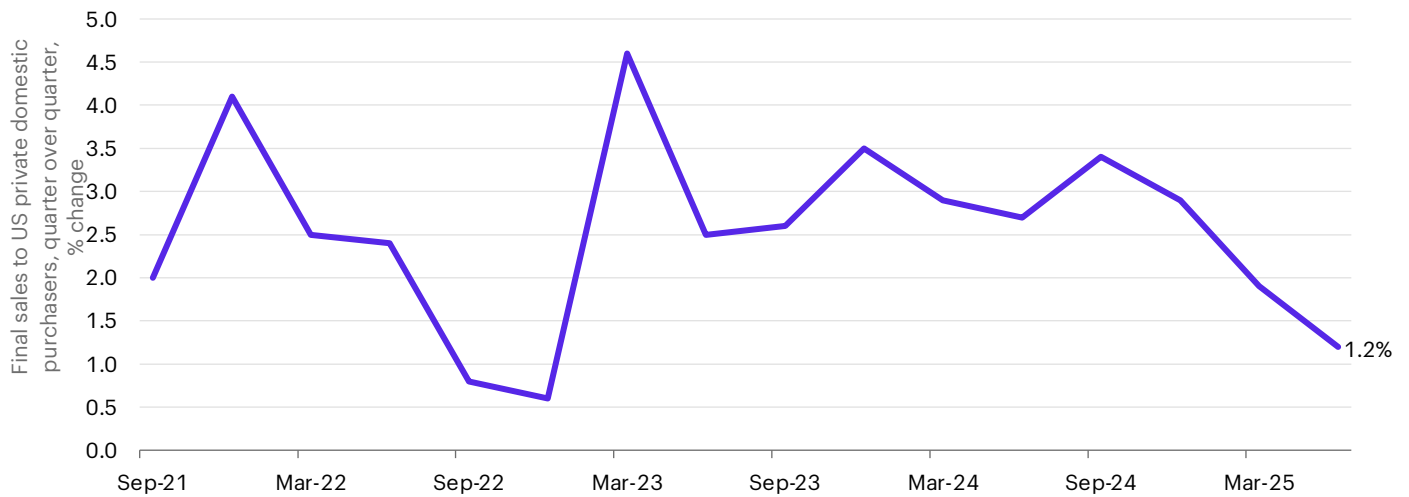
Chart 2: US jobs growth is slowing and narrowing



Source: Bloomberg Finance, L.P. US Employees on Nonfarm Payrolls Total Month-Over-Month (MoM) Net Change (NFP TCH) Index and the US Employees on Nonfarm Payrolls Private Education & Health Services SA (USEETOTS) Index. As of 31-Jul-25.

US economic growth rebounded in the second quarter from the import-affected weakness seen in the first quarter. Whilst the top-line figure was reassuring, the underlying data again painted a picture of softening conditions. Final sales to domestic purchasers—a key gauge of domestic consumer demand—fell to their lowest level since the end of 2022 (Chart 3). This suggests that the US consumer could be losing steam, potentially limiting the upside for growth in the quarters ahead.

Chart 3: US consumers may be losing steam

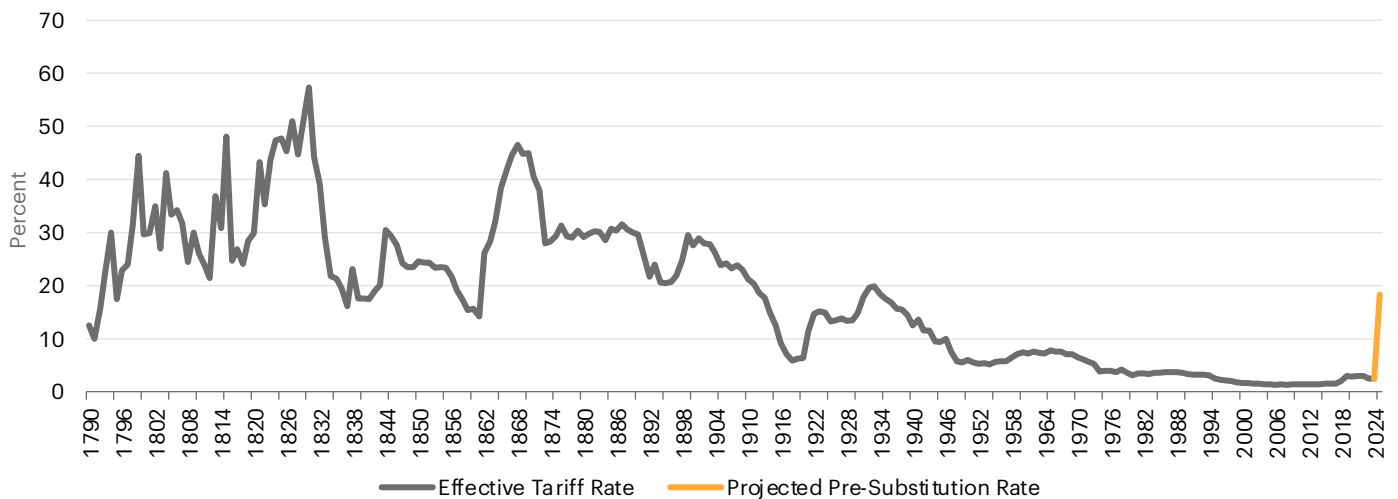


Source: Bloomberg Finance L.P. Final Sales to Domestic Purchasers (FSDPRSPD) Index. As of 30-Jun-25.

US trade policy has remained a focal point in recent months with growing clarity around its direction. However, the last few weeks have brought a wave of announcements, tentative agreements, sudden adjustments to tariff rates, industry exemptions and implementation timelines. As of the end of July, the average effective tariff rate faced by US consumers stands at 18.3%, according to the Budget Lab at Yale—the highest level since 1934 (Chart 4). These figures remain fluid, as the US continues to issue extensions, carveouts and exemptions for select partners whilst simultaneously raising tariffs on specific goods, commodities or countries—often with little warning or clear rationale. How consumers and businesses will navigate this new environment and how tariffs will affect inflation and growth will take time to understand. Meanwhile, US current receipts from customs duties (tariff revenue) has surged over the last several months—enough to make up nearly 0.88% of gross domestic product (GDP).

Chart 4: The US enters a dramatically different tariff era

US average effective tariff rate since 1790



US economic fundamentals remain relatively solid, but the outlook is increasingly uncertain. The labour market is narrowing and showing signs of slowing, whilst corporations appear to be in a holding pattern as they await greater clarity on trade and immigration policy. At the same time, consumer spending is beginning to soften—raising concerns that economic growth may decelerate further in the coming quarters. Meanwhile, valuations for risk assets, including many credit sectors, continue to reflect an optimistic scenario. Credit spreads have returned to their tightest levels in two decades, suggesting markets may be underestimating potential downside risks.

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—whether through trade, immigration or monetary decisions—could disrupt markets or slow economic growth. In response, we've extended our duration positioning relative to the benchmark. 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. In June, European high yield bonds had underperformed their US counterparts, leaving their valuations more compelling. As a result, we modestly shifted some allocations there, though we remain on the lower end of our neutral allocation and aware that this relationship 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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