

Performance report | October 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	0.44%	2.41	2.50%

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)	6.18	8.24
Duration (yrs)	4.21	6.35
Weighted average coupon	5.35	3.09
Yield to worst	5.65%	3.43%

Sources: FactSet and Allspring Global Investments.

Geographic allocation (%)

	Fund	Benchmark ³
North America	71.02	44.22
Europe ex U.K.	11.36	22.72
UK	5.10	4.35
Latin America	7.16	1.06
Asia/Pacific ex-Japan	2.70	16.21
Diversified	1.46	2.63
Africa/Middle East	0.77	0.02
Japan	0.43	8.79

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

Duration Distribution(%)

	Fund	Benchmark ³
0 to 12 months	2.3	0.6
1 to 3 years	46.9	26.9
3 to 5 years	32.7	22.0
5 to 7 years	6.8	16.8
7 to 10 years	5.9	15.5
10 years +	5.4	18.2
Other	0.00	0.01

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

Top ten largest holdings (%)

	Fund
U.S. Treasuries	8.25
GNMA	7.00
Umbs Tba 30yr 6% October Delivery	5.40
Umbs Tba 30yr 5% October Delivery	4.87
GNMA	3.01
GNMA Series Association- Class	2.86
U.S. Treasuries	2.17
Government of Brazil	1.95
Government of United Kingdom	1.88
FHLMC	1.53

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	1.54	12.17
AA/Aa	49.13	38.96
A/A	10.05	34.50
BBB/Baa	17.25	14.37
BB/Ba	12.99	—
B/B	5.98	—
CCC/Caa and below	1.63	—
Not rated	1.43	—

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

Credit asset class (%)

	Fund
Securitized	35.24
Treasuries	26.01
IG Corporates	19.46
HY Corporates	15.85
Government-related	3.44

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

ESG carbon characteristics

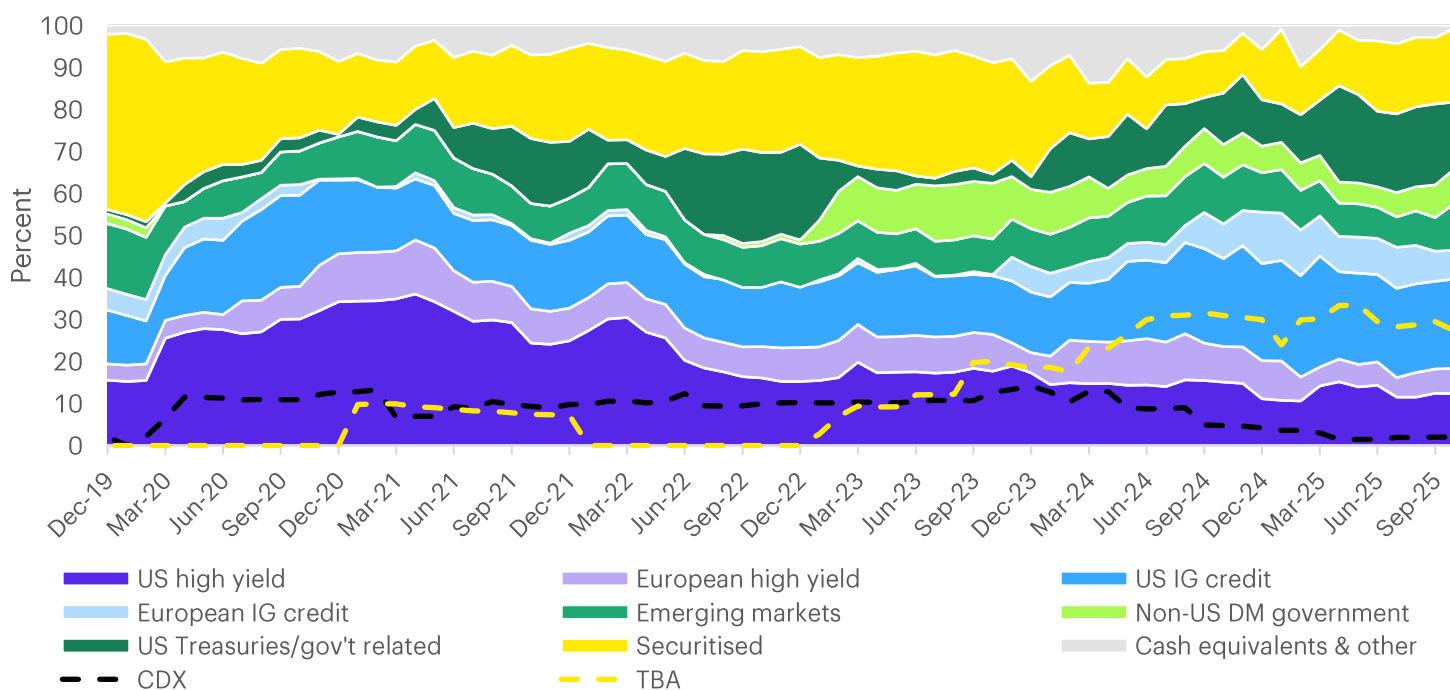
	Fund		Benchmark ³		
	Value	Coverage	Value	Coverage	% above /below benchmark
Carbon to value invested (metric tons CO2e/ \$MM invested)*	58	47%	50	28%	17%
Weighted average carbon intensity (metric tons CO2e/ \$1MM revenues)*	100	47%	146	28%	-31%

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

Monthly sector outlook & positioning as of 31 October 2025

	Outlook	Current allocation	Position vs. "neutral"
Interest rates	We closed the duration overweight in September when the 10-year US Treasury yield fell to 4%. However, we retain a small curve steepener position with an overweight to the 2- and 5-year parts of the curve and an underweight to 30-year bonds.	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 moderate growth expectations with the lack of better alternatives elsewhere.	16%	Overweight
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.	8%	Neutral
Securitised	This remains the highest-conviction allocation. The largest overweight exposures are to agency MBS and ABS.	45%	Overweight
US investment grade	We moved back to neutral in September due to the incredibly strong technicals coupled with better-than-expected economic growth and earnings. Historically rich valuations keep us from adding more.	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	Like US investment grade, we've added a little US high yield on the back of better data and strong demand in the market, but valuations limit the opportunities. US high yield additions were funded by EUR high yield sales due to relative value shifting in favour of the US credit markets.	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.	11%	Neutral

Sector allocations* as of 31 October 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.

Markets are dancing in the dark

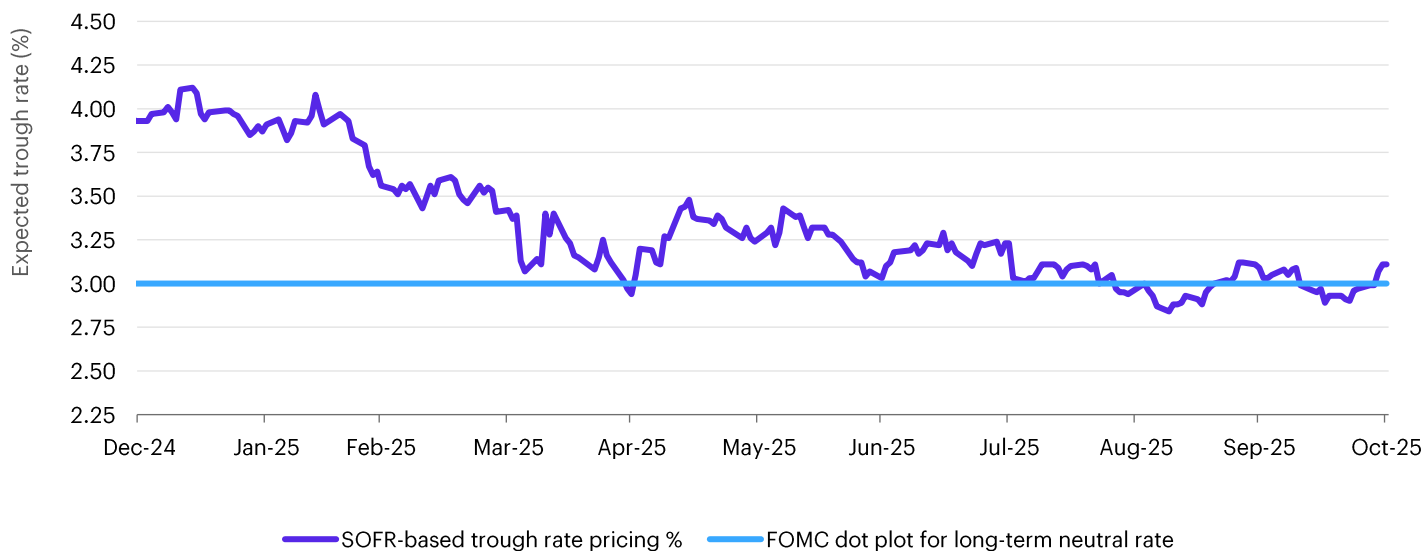
Decision-making under uncertainty is the essence of investing. It's a discipline built on taking calculated risks, grounded in present realities yet clouded by unknowable future possibilities. At times, it demands bold leaps of faith; after all, once the coast is clear, the opportunity is usually gone. But today's environment presents a unique challenge: investors are being asked to make decisions in a world filled not just with ambiguity but with known unknowns.

The ongoing US federal government shutdown—now the longest on record—is a prime example. Beyond the human toll on federal workers, benefit recipients and travelers, the shutdown has created a data vacuum. Investors have been left without critical tier 1 economic indicators: third quarter gross domestic product (GDP), September personal consumption expenditures (PCE), employment reports for September and October and trade data have all gone dark. These aren't just numbers—they're the lifeblood of economic modelling and policy guidance.

The timing of this data blackout couldn't be more precarious for the US Federal Reserve (Fed). With mounting pressure from the Trump administration to lower rates and growing divergence within the Federal Open Market Committee (FOMC) on the appropriate policy path, the Fed remains firmly committed to a data-dependent approach. But what happens when the data goes dark? Heading into the October meeting, markets had priced in a strong likelihood of a 25-basis-point (bp; 100 bps equal 1.00%) cut to the federal funds rate, with expectations for another cut in December. The Fed delivered on October—but Chair Powell made it clear: December is not a done deal. Without access to key economic indicators, Powell emphasised, the Fed cannot responsibly commit to further easing.

This uncertainty triggered a recalibration in market expectations. Rates along the curve rose as investors adjusted to the possibility of a pause in rate cuts—an outcome that may have caught some off guard. After all, rising rates amid a rate-cutting cycle is counter-intuitive. The immediate effect has been a modest uptick in rate volatility, but there's a silver lining: throughout the year, market expectations have gradually aligned more closely with the Fed's own longer-term rate projections (see Chart 1). What began as a gap of over 100 bps has narrowed significantly, suggesting a convergence in outlook—even in the absence of fresh data.

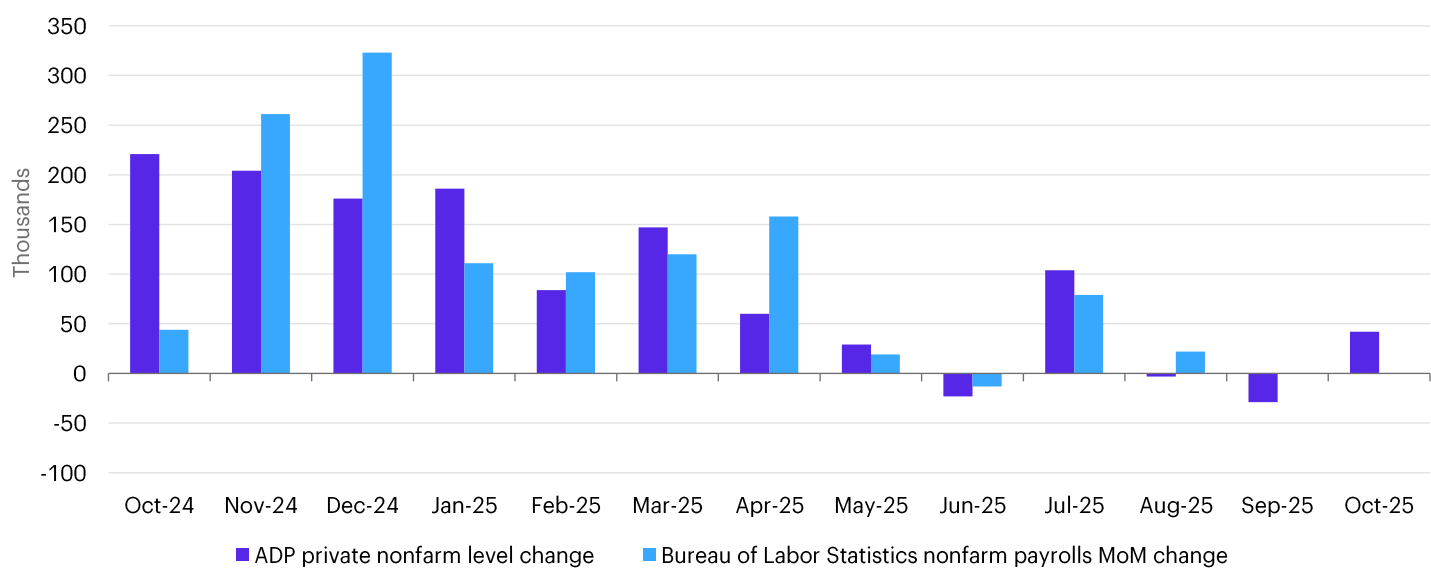
Chart 1: Markets and the Fed come closer to agreement on the destination for rates



Source: Bloomberg Finance L.P. SOFR futures and FOMC Dots. As of 31-Oct-25. SOFR is the Secured Overnight Finance Rate.

With the government shutdown dragging on, the monthly jobs report from the US Bureau of Labor Statistics has gone dark. Fortunately, private-sector data from ADP remains available, offering a partial (but still valuable) window into labour market dynamics. Chart 2 compares the month-over-month change in nonfarm payrolls from both ADP and the US government over the last year. The ADP data paints a picture of a fragile labour market characterised by low hiring and low firing. In other words, employers are cautious. The pace of job creation has clearly slowed in the second half of 2025, reinforcing concerns about economic momentum.

Chart 2: The US jobs market has softened in the second half of 2025



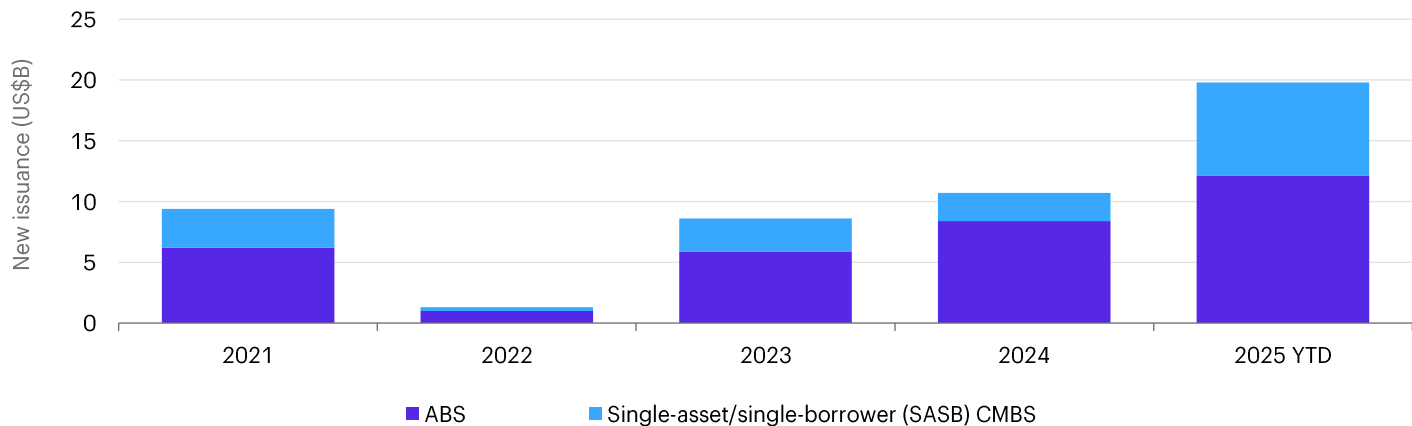
Sources: Bloomberg Finance L.P., ADP and Bureau of Labor Statistics. ADP National Employment Report SA Private Nonfarm Level Change (ADP CHNG) Index and the US Employees on Nonfarm Payrolls Total Month-Over-Month (MoM) Net Change SA (NFP TCH) Index. As of 31-Oct-25.

The rates market has responded with higher volatility because investors no longer have the conviction exhibited in the prior few months. A market that sells off by a few basis points only to rally the next morning by a similar amount suggests uncertainty, not confidence. Chair Powell has worked to temper expectations around future Fed moves, and rightly so: employment risks clearly remain, but without hard data, the Fed’s next steps are harder to predict. Given the Fed’s sensitivity to labour market signals, however, the possibility of a December rate cut remains on the table. Without clearer data, markets are likely to stay range-bound, waiting for a signal strong enough to break the stalemate.

Whilst investors are working to navigate a world with limited economic data, the investment landscape is shifting beneath their feet. One of the most striking developments is a surge in debt issuance across a widening range of fixed income sectors aimed at building the digital backbone of AI. Over the last six weeks alone, investment-grade credit markets have absorbed more than US\$75 billion in new issuance—much of it earmarked for data centres and digital infrastructure. Even the high yield market is starting to get in on the action, with two recent new issues earmarked to fund data centre build-outs. What’s notable isn’t just the scale, but the source: some of the largest, most cash-rich technology companies are opting to tap public markets rather than self-fund these capital-intensive projects. It’s a strategic pivot that signals urgency and perhaps a recalibration of risk and return expectations.

The pace of this issuance is accelerating sharply. Chart 3 highlights the trend, showing securitised market activity in the US, specifically asset-backed securities (ABS) and commercial mortgage-backed securities (CMBS) tied to data centre development over recent years. This wave of financing reflects growing conviction in AI’s transformative potential—but also underscores the uncertainty around its timeline and payoff.

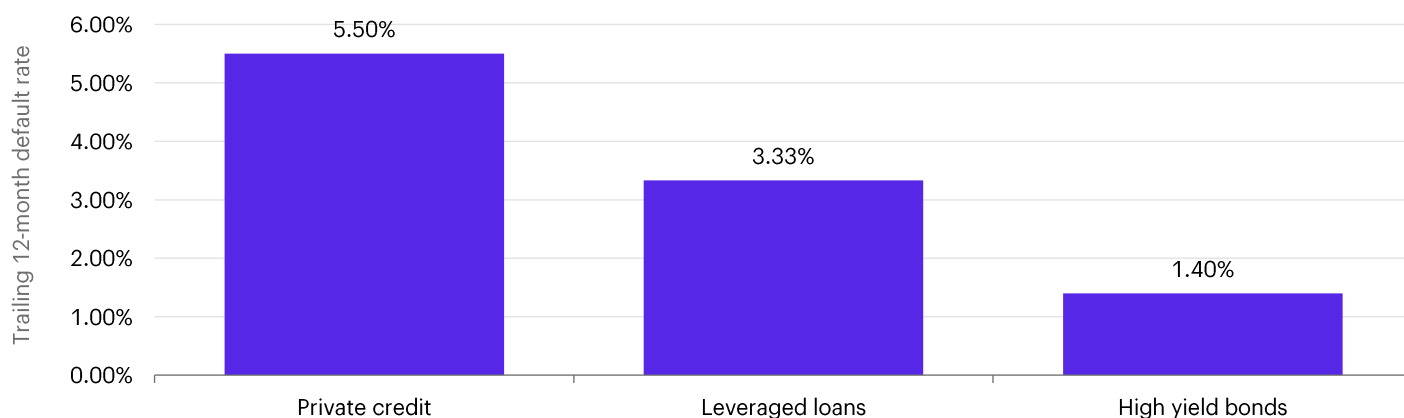
Chart 3: Digital infrastructure issuance is accelerating sharply



Source: JPMorgan. As of 31-Oct-25.

Meanwhile, stress has quietly been building in private credit markets, where transparency is limited and risk is harder to quantify. Payment-in-kind (PIK) debt has been increasing for many private credit issuers. PIK can be used to defer interest payments, as the borrower chooses to increase the total amount owed instead of making the scheduled interest payment. This adds to the strains on underlying borrowers and can lead to worse outcomes if the hoped-for growth fails to materialise. Fitch Ratings data suggests that default rates on private credit have been increasing since the end of the first quarter, with the trailing 12-month default rate reaching 5.5%—well above defaults for public market high yield bonds and leveraged loans (Chart 4).

Chart 4: Defaults have increased and private credit markets are seeing stress



Sources: Fitch Ratings and JPMorgan. Private credit default rate from Fitch Ratings as of 30-Jun-25. Leveraged loan and high yield default rates from JPMorgan as of 31-Oct-25.

Investors are no strangers to navigating murky conditions. But today, the fog is thicker, the stakes are higher and the compass—economic data—is missing. In this environment, resilience, adaptability and a clear-eyed view of risk are more essential than ever.

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. Following September’s rate decline, we moved our duration positioning to neutral relative to the benchmark. Credit fundamentals have remained solid, but valuations are stretched, leaving little room for further spread tightening. As a result, we’ve leaned into higher-quality holdings, where we believe investors are better compensated for risk. Relative performance has also shifted. We continue to consider the relative value opportunities presented by European credit versus their US counterparts. We remain positioned towards the lower end of our neutral allocation in those sectors, though these relative value relationships remain fluid. 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 MBS yields stand out as attractive relative to other fixed income opportunities.

Looking ahead, our macroeconomic view is constructive: slow but positive growth and sustained demand for yield should support valuations. Still, uncertainty may persist. In this environment, we’re focused on disciplined, intentional risk-taking. Security selection is paramount, and with few assets trading at obvious discounts, capital allocation must be precise. Flexibility is key, and we believe that our diversified positioning equips us to respond to volatility and seize opportunities as they emerge.

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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