

Performance report | September 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	0.82%	N/A	2.06%

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	8.34
Duration (yrs)	4.12	6.37
Weighted average coupon	5.34	3.07
Yield to worst	5.64%	3.48%

Sources: FactSet and Allspring Global Investments.

Geographic allocation (%)

	Fund	Benchmark ³
North America	72.62	43.89
Europe ex U.K.	11.57	22.98
UK	5.69	4.34
Latin America	5.23	1.05
Asia/Pacific ex-Japan	2.35	16.00
Diversified	1.52	2.67
Africa/Middle East	0.55	0.02
Japan	0.46	9.06

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

Duration Distribution(%)

	Fund	Benchmark ³
0 to 12 months	1.8	0.4
1 to 3 years	36.8	26.4
3 to 5 years	39.4	22.9
5 to 7 years	12.6	17.3
7 to 10 years	4.9	15.1
10 years +	4.4	17.8
Other	0.13	0.12

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

Top ten largest holdings (%)

	Fund
U.S. Treasuries	8.84
GNMA	6.97
Umbs Tba 30yr 6% October Delivery	5.79
Umbs Tba 30yr 5% October Delivery	5.21
GNMA	3.23
U.S. Treasuries	3.00
U.S. Treasuries	2.17
Government of United Kingdom	1.94
GNMA Series Association- Class	1.92
FHLMC	1.66

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	1.17	12.16
AA/Aa	50.60	39.36
A/A	9.29	34.09
BBB/Baa	17.27	14.39
BB/Ba	12.57	—
B/B	5.90	—
CCC/Caa and below	1.66	—
Not rated	1.54	—

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

Credit asset class (%)

	Fund
Securitized	36.93
Treasuries	24.15
IG Corporates	19.50
HY Corporates	16.26
Sovereign	2.02
Local Authorities	0.77
Agencies	0.37

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

ESG carbon characteristics

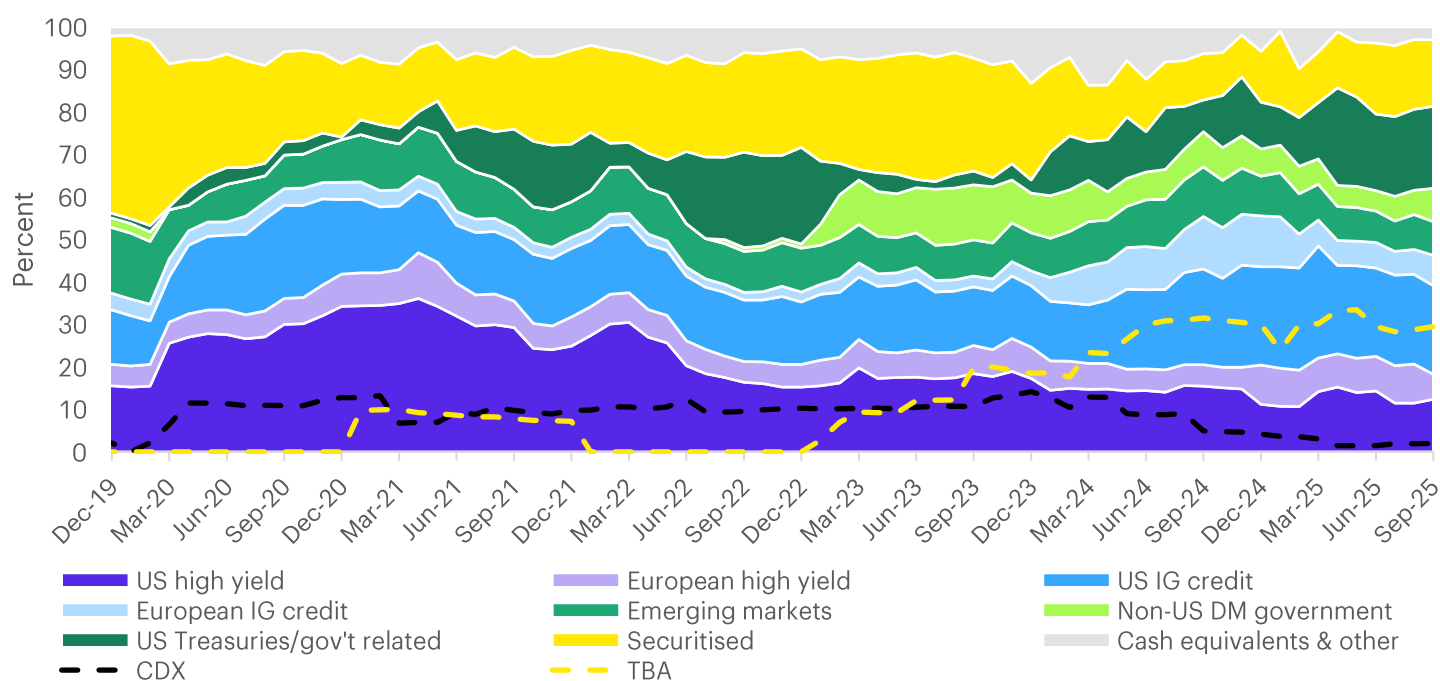
	Fund		Benchmark ³		
	Value	Coverage	Value	Coverage	% above /below benchmark
Carbon to value invested (metric tons CO2e/ \$MM invested)*	59	47%	60	22%	-1%
Weighted average carbon intensity (metric tons CO2e/ \$1MM revenues)*	97	47%	175	22%	-45%

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

Monthly sector outlook & positioning as of 30 September 2025

	Outlook	Current allocation	Position vs. "neutral"
Interest rates	We closed the duration overweight in September when the 10-year 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-feared growth data and strong market returns led by tech companies seem to have 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.	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.	8%	Neutral
Securitised	This remains the highest-conviction allocation. The largest overweight exposures are to agency MBS and ABS.	45%	Overweight
US investment grade	Incredibly strong technicals, coupled with better-than-expected growth and earnings have led to incremental buying in US investment-grade credit. Historically rich valuations keep us from doing 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.	7%	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%	Underweight
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.	6%	Neutral
Emerging markets	Emerging market positioning has continued to be tilted towards local-currency government bond holdings, including those in Brazil, Colombia and Indonesia. Reasonable yields and supportive fundamentals make this is an area we're looking to add to.	8%	Neutral

Sector allocations* as of 30 September 2025

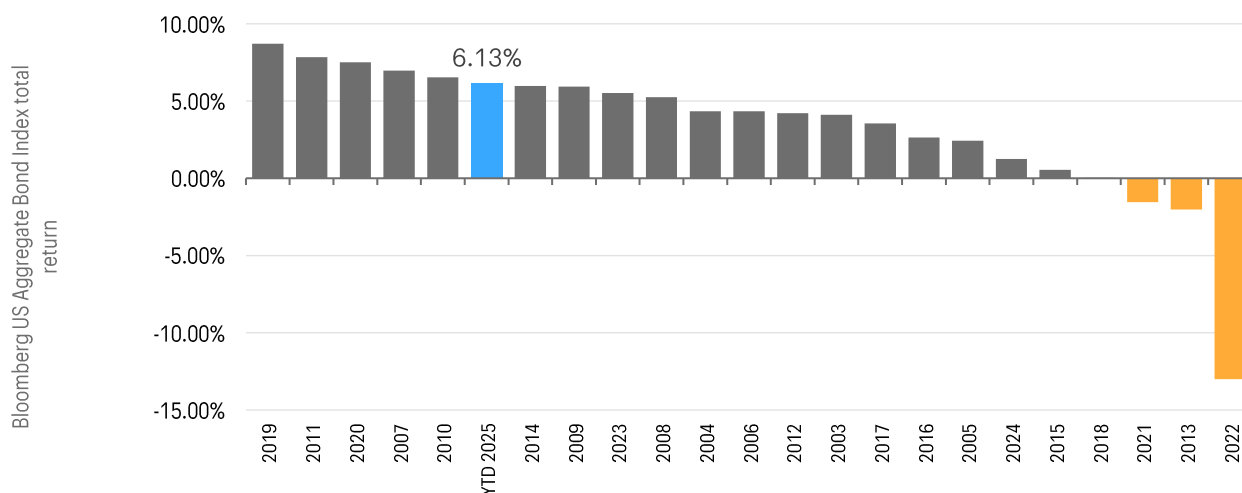


Source: Allspring. *Represented by the Allspring Income Plus Strategy Composite. Weights may not add up to 100% due to CDX/TBA exposure. Cash equiv. & other includes collateral for derivative and TBA positions. As of the period-end, CDX represented 1.5% notional value of the exposure. Net of derivatives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

Fortifying bond portfolios now is a prudent move

In September, as in the third quarter, interest rates fell and credit spreads narrowed, creating a favourable environment for bond investors. Equity markets produced positive returns. Credit did well. Duration did well. US-focused markets, along with many international markets, saw positive returns. Most risk markets “worked” for investors. Whether or not bond investors have noticed, 2025 has (thus far) been a strong year of returns for the Bloomberg US Aggregate Bond Index. Chart 1 shows that year-to-date returns through September rank among the best full-year total returns for the index since 2002 and are the strongest returns since 2020. Bloomberg Global Aggregate Bond Index-centred investors have seen positive total returns, though closer to the median annual return.

Chart 1: Bond investors have done well in 2025



Sources: Bloomberg Finance L.P. Bloomberg US Aggregate Bond (LBUSTRUU) Index. As of 30-Sep-25.

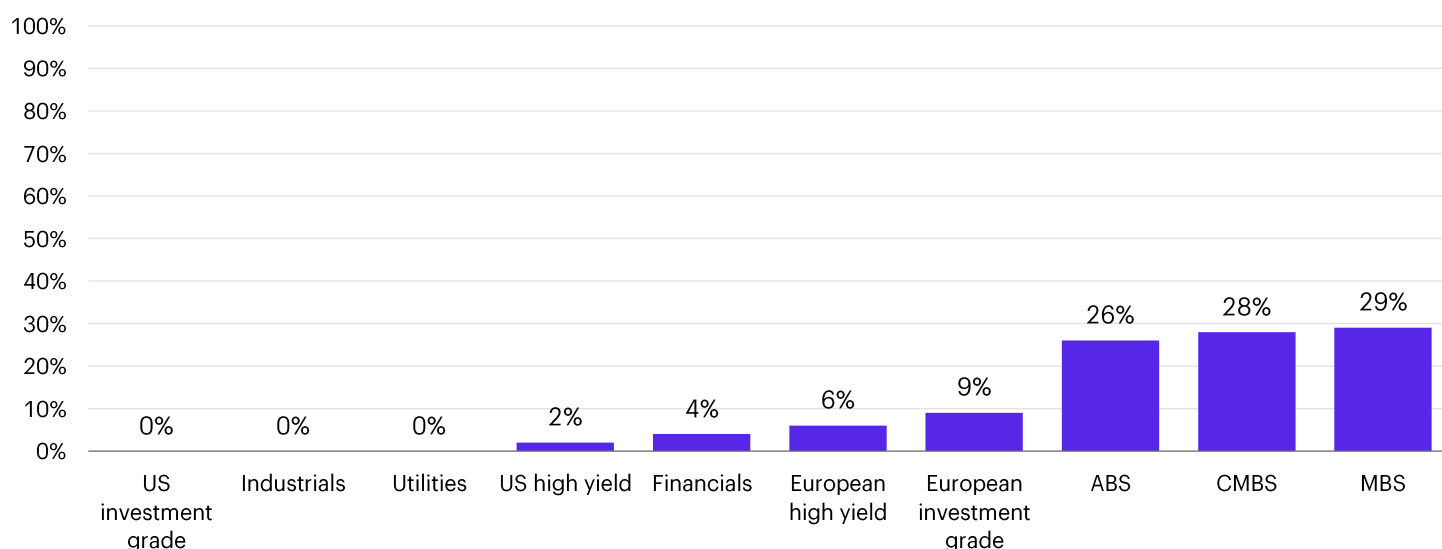
Markets produced positive returns despite numerous surprises or shocks:

- Stephen Miran, on leave from his White House role as chair of the Council of Economic Advisors, was confirmed as the successor to US Federal Reserve (Fed) Governor Adriana Kugler. A federal judge ruled that Fed Governor Lisa Cook could continue in her role (though President Trump asked the Supreme Court to weigh his dismissal of Governor Cook). Both attended and voted at the September Federal Open Market Committee (FOMC) meeting in which rates were lowered by 25 basis points (bps; 100 bps equal 1.00%).
- Governor Miran was the sole FOMC member voting for a 50-bp cut in rates. His dovishness was an outlier and possibly an indicator of future Fed policy direction and magnitude if the White House has more opportunities to nominate FOMC members. The Summary of Economic Projections (the “dot plot”) provided by the Fed indicated a possible third rate cut in 2025.
- Tricolor Holdings, an auto-loan specialist focused on serving lower-income customers in the American southwest, filed for bankruptcy protection amid fraud allegations.
- Later in the month, auto-parts supplier First Brands Group filed for Chapter 11 protection. First Brands grew through debt-funded acquisitions and was weakened by further borrowing secured against inventory and payments due from customers.
- Israel escalated its assault on Gaza, and the Russia/Ukraine conflict continued to rage on.
- Government budget gridlock pushed the US government to its first shutdown since late 2018. President Trump threatened to use the shutdown as a means to eliminate thousands of additional federal jobs.
- September set the record for the month for new investment-grade debt issuance with more than US\$200 billion in bonds coming to market.
- Late in the month, Electronic Arts announced it had agreed to be taken private in what will be the largest leveraged buyout in history. Saudi Arabia’s Public Investment Fund, Silver Lake Management, and Affinity Partners joined to bid US\$55 billion for the video game maker with JPMorgan agreeing to supply US\$20 billion in debt for the deal, also a record.

Despite these surprises, credit compensation has remained very low. Chart 2 illustrates how tight credit spreads are for a variety of sectors relative to the compensation available for the last 20 years.

Chart 2: Investors accept some of the lowest risk compensation in decades

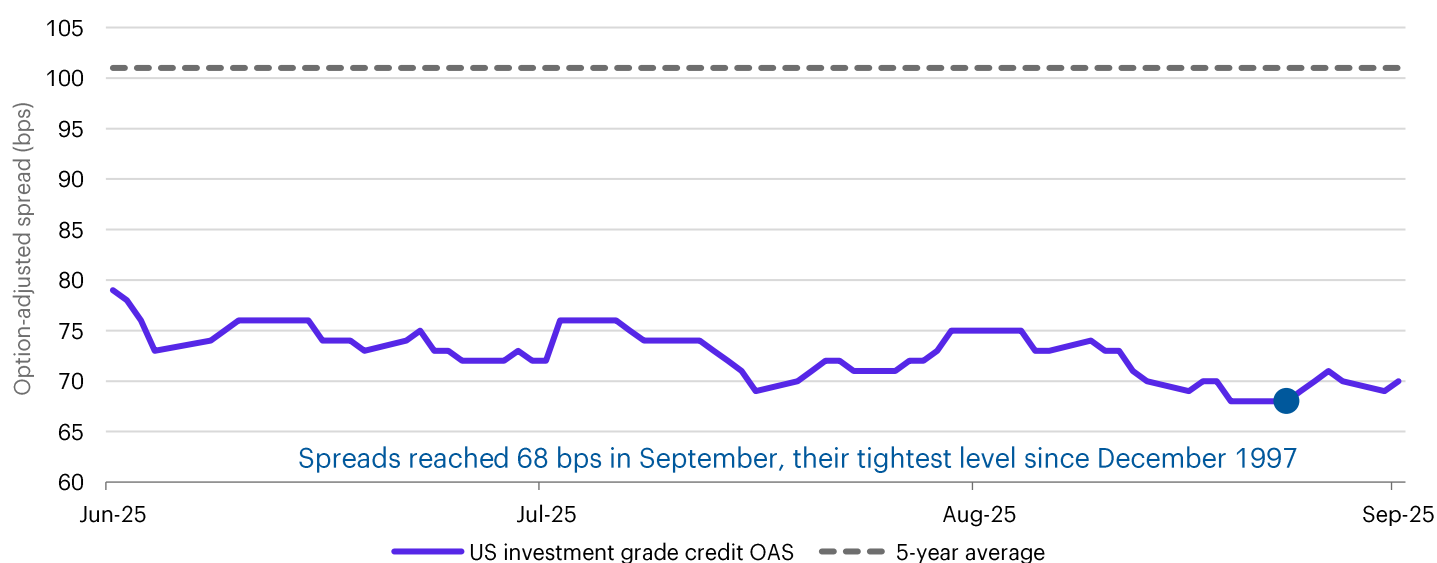
% of time spreads have been tighter over the last 20 years



Source: Bloomberg Finance L.P. US investment grade = Bloomberg US Credit (LUCROAS) Index, industrials = Bloomberg US Industrial (LUAIOAS) Index, utilities = Bloomberg US Utility (LUAUOAS) Index, US high yield = Bloomberg US Corporate High Yield (LF98OAS) Index, financials = Bloomberg US Financial Institutions (LUAFOAS) 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 MBS (CMBS) = Bloomberg US Agg CMBS (LUCMOAS) Index. As of 0-Sep-25.

Spreads are not only tight, they are stricken with torpor. Torpor is defined as a state of being dormant or inactive; lethargy; sluggishness; apathy. In the third quarter, spread for US investment-grade credit reached its tightest level since December 1997. These spreads are significantly below their long-term average and much tighter than they have been over the last five years. The largest period of spread widening in the quarter peaked at just 6 bps, demonstrating substantial apathy (Chart 3).

Chart 3: Nothin' doing: US investment-grade credit spreads stay subdued in the third quarter



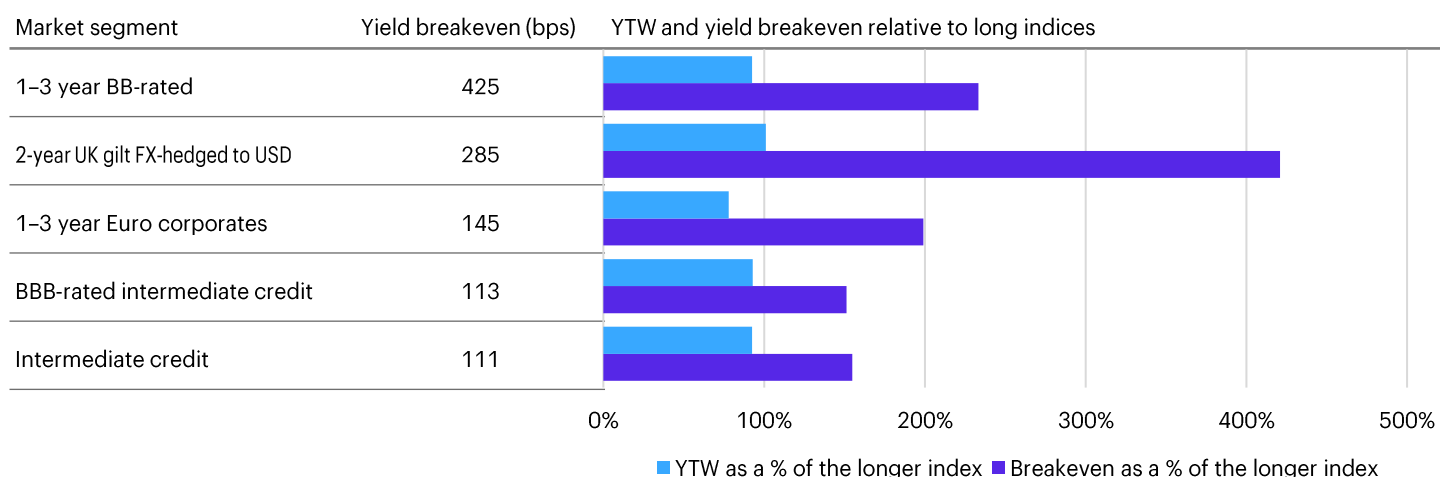
Source: Bloomberg Finance L.P. US investment-grade credit = Bloomberg US Credit (LUCROAS) Index. As of 30-Sep-25.

Whilst current spread levels may not seem attractive to spread buyers like us, there are reasons to believe they could remain stable in the coming months. Corporate fundamentals are strong, with stable leverage, rising interest coverage, improving margins and low defaults. Despite trade-related uncertainties, growth has shown resilience. The stimulus from the One Big Beautiful Bill in early 2026 could provide more support. Market technicals are robust, with record-breaking bond issuance in September pushing the year-to-date total to over US\$1.3 trillion. Analysts now expect full-year issuance to reach as much as US\$1.7 trillion, yet yield-oriented buyers continue to absorb the elevated issuance.

So, should investors be worried? We don't believe they should be worried but, rather, prepared. As former Comptroller of the Currency Thomas Curry said, "the worst loans are made in the best of times". Dormant spreads could remain tight or even tighten further, but there is a chance they could widen, potentially erasing the carry earned from such exposure. Rates on the front of the curve are biased to move lower, but rates along the curve could move higher, leading to a steeper curve. Finding ways to position portfolios to benefit from attractive yields whilst bolstering resiliency to account for the possibility of spread widening or rate volatility is a prudent strategy.

Looking for opportunities with attractive yield breakevens is one way to fortify bond portfolios. A yield breakeven is an estimate of how much yields could rise or spreads widen before a fixed income investment would see a negative total return over the following year (all else being equal). Picking bonds with higher breakevens increases the "shock absorber" in the portfolio. The good news for investors is that there is a variety of ways to source these opportunities, which allows portfolio diversification to remain robust. Chart 4 illustrates how sectors with less duration and/or higher yields can add to breakevens for investors.

Chart 4: Staying short to intermediate offers most of the yield and more of the buffer



Sources: Bloomberg and Allspring. 1–3 year BB-rated = ICE BofA 1–3 Year BB US Cash Pay High Yield Index, longer index = ICE BofA BB U.S. High Yield Index. 2-year UK gilt FX-hedged to USD = USD Hedged Generic Britain 2 Year Government Bond, longer index = Bloomberg US Treasury Index. 1–3-year Euro corporates = Bloomberg Euro Corporate 1–3 Year Bond Index, longer index = Bloomberg Pan-European Aggregate Index. BBB-rated intermediate credit = Bloomberg US Intermediate Credit Baa Index, longer index = Bloomberg US Credit Baa Index. Intermediate credit = Bloomberg US Intermediate Credit Index, longer index = Bloomberg US Credit Index. As of 30-Sep-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. Rates decreased in September, and in response, we've brought our duration positioning neutral relative to the benchmark. 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 MBS yields stand out as attractive relative to other fixed income opportunities.

Looking ahead, our macroeconomic view remains 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.

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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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