Allspring

Performance report | September 2026

Allspring Global Income Fund – Class B

Net returns (AUD)*

	1 mnth	3 mnths	6 mnths	CYTD	1 year	Since inception p.a
Fund	-2.50%	-2.52%	-0.40%	-0.99%	0.01%	1.72%
Benchmark	-1.66%	-2.42%	-1.00%	-1.25%	-0.57%	0.56%
Value added	-0.84%	-0.10%	0.60%	0.26%	0.58%	1.15%

Performance figures are net of fees and expenses. Past performance is not indicative of future performance.
Inception date is 21 July 2025.
Benchmark is the Bloomberg Global Aggregate TR Index (AUD Hedged).
Net returns for the Allspring (Lux) Worldwide Fund sub-fund in USD are available on request by emailing client.experience@bennelongfunds.com.

Overview

Allspring is a leading asset manager with USD$642 billion of assets under management and advisement, managing over USD$492 billion in fixed income assets for a global client base. The Allspring Global Income Fund – Class B (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 TR Index (AUD Hedged)
Risk profile	Medium to high risk
Recommended investment period	Long term (5 years +)
Minimum investment	$1,000,000 (AUD)
Additional investment	$250,000 (AUD)
Buy/Sell spread	+/-0.20%
Entry/Exit fees	Nil
Distributions	Generally paid on a monthly basis
Management fees and costs*	0.69%

* 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.

Portfolio characteristics

	Fund	Benchmark[1]
Average credit quality	BBB	AA-
Average maturity (yrs)	7.46	8.03
Duration (yrs)	4.86	6.01
Current yield	6.28%	3.47%
Yield to worst	6.97%	4.44%

Sources: FactSet and Allspring Global Investments.

Geographic allocation (%)

	Fund	Benchmark[1]
North America	66.90	43.97
Europe ex U.K.	16.26	22.24
Latin America	6.62	1.06
UK	4.58	4.37
Asia/Pacific ex-Japan	3.94	17.49
Diversified	0.60	2.78
Africa/Middle East	0.95	0.03
Japan	0.16	8.07

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

Duration distribution(%)

	Fund	Benchmark[1]
0 to 12 months	8.80	0.32
1 to 3 years	20.92	26.81
3 to 5 years	29.88	23.16
5 to 7 years	27.57	20.29
7 to 10 years	7.33	13.03
10 years +	5.48	16.38
Other	0.02	0.01

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

Credit rating allocation (%)

	Fund	Benchmark[1]
AAA/Aaa	10.62	12.26
AA/Aa	36.78	38.57
A/A	11.20	35.16
BBB/Baa	18.31	14.01
BB/Ba	12.93	—
B/B	7.45	—
CCC/Caa and below	2.11	—
Not rated	0.60	—

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

Top ten largest holdings (%)

	Fund
Ginnie Mae 10/31/2056	6.22
Umbs Tba 30yr 5% October Delivery	5.62
Umbs Tba 30yr 6% October Delivery	5.23
Umbs Tba 30yr October Delivery	4.00
U.S. Treasuries	2.89
U.S. Treasuries	2.67
U.S. Treasuries	2.66
Government of Australia	1.90
GNMA Series Association- Class	1.88
Government of Colombia	1.39

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	32.74
Treasuries	26.87
IG Corporates	20.17
HY Corporates	17.97
Government-related	2.26

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

ESG carbon characteristics

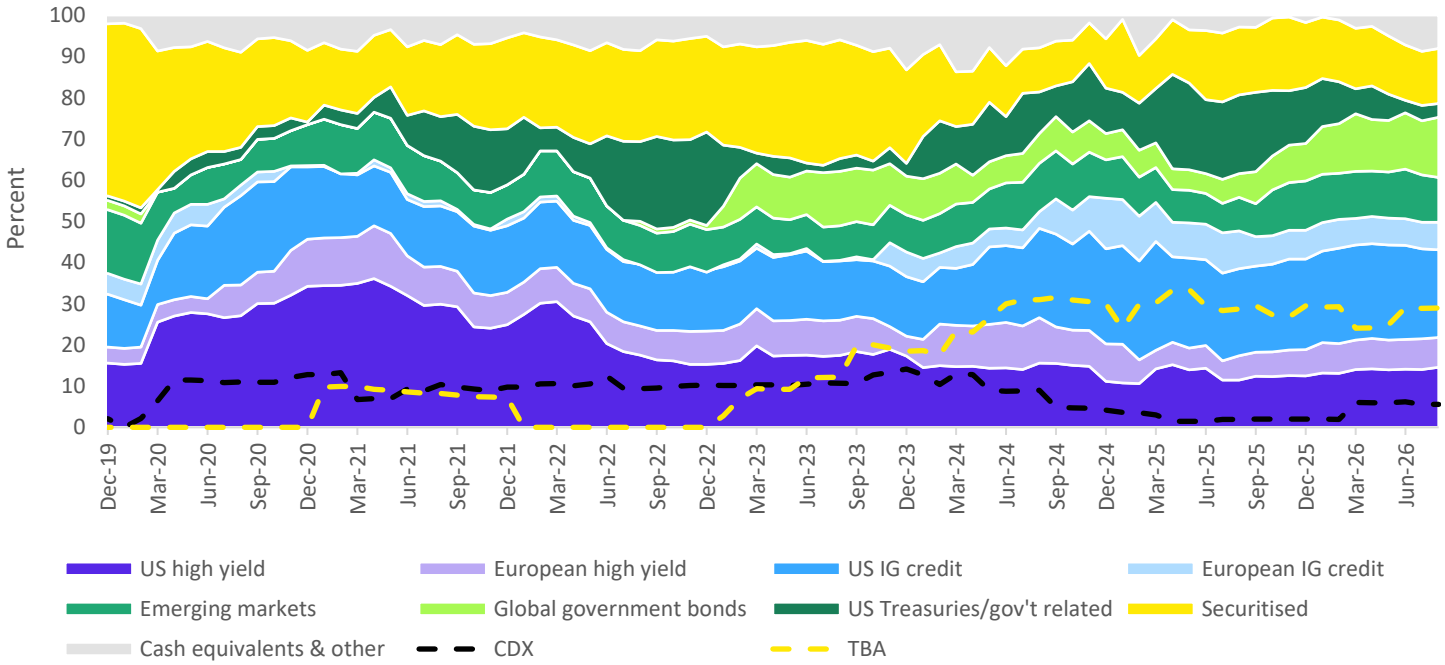
	Fund		Benchmark1		
	Value	Coverage	Value	Coverage	% above /below benchmark
Carbon to value invested (metric tons CO2e/ $MM invested)*	69	36%	43	28%	62%
Weighted average carbon intensity (metric tons CO2e/ $1MM revenues)*	142	36%	143	29%	0%

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

Monthly sector outlook & positioning as of 30 September 2026

	Outlook	Current allocation	Position vs. "neutral"
Interest rates	We retain a modest duration overweight concentrated in the US front end, where carry is attractive, whilst fiscal, supply, inflation and geopolitical risks argue against adding long-end exposure.	4.6 years duration	Overweight
Non-USD currencies	Non-US-dollar currency exposure is limited. A few emerging market opportunities are in the portfolio, but a larger exposure is limited by a trendless and rangebound US dollar.	2%	Underweight
US government related	The strategy's allocation to US Treasuries is on the lower end of neutral, using them to fund higher-spread assets whilst heavy supply, persistent deficits and elevated term premium continue to challenge longer maturities.	6%	Neutral
Global government bonds	Our global government bond allocation straddles the line between neutral and overweight, selectively targeting European and Australian markets. Divergent inflation, fiscal and election risk dynamics are driving market volatility.	15%	Neutral
Securitised	We increased our securitised overweight in September, favouring agency MBS and supply-driven opportunities in residential MBS whilst maintaining selective asset-backed securities, single-asset/single-borrower commercial MBS exposure where security selection is critical.	43%	Overweight
US investment grade	We reduced US IG credit by over 3% throughout the month. Strong fundamentals and attractive yields support carry, whilst historically tight spreads, record supply and softer demand favour patience and higher quality.	21%	Neutral
European investment grade	European IG exposure increased after spreads widened modestly in September, as attractive income and inflows are balanced by heavy supply and political-related volatility.	9%	Neutral
US high yield	US high yield remains neutral and tilted towards higher-quality credits. Carry is supportive, but tight valuations warrant discipline and patience for wider spreads before adding broad risk.	17%	Neutral
European high yield	Our neutral allocation to European high yield holds. Carry is supportive, but tight valuations, rising issuance, rate sensitivity and geopolitical risks leave US high yield relatively more attractive.	7%	Neutral
Emerging markets	Selective rate opportunities are balanced by tighter credit valuations, uneven fundamentals, costly hedging and geopolitical risks.	10%	Neutral

Sector allocations* as of 30 September 2026

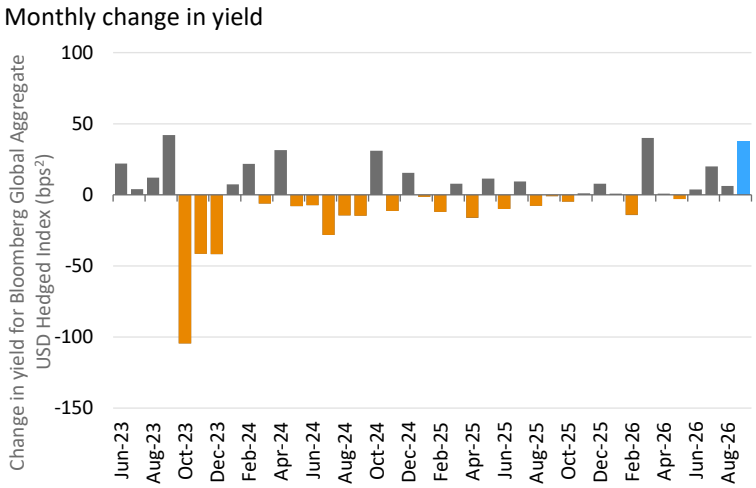


Source: Allspring. *Represented by the Allspring Income Plus strategy composite. Weights may not add up to 100% due to CDX/TBA exposure. Cash equivalents & other includes collateral for derivative and TBA positions. As at the period-end, CDX represented 5.6% notional value of the exposure. Net of derivatives exposure and inclusive of TBAs.

A stronger foundation

September delivered a significant repricing across fixed income markets, with the Bloomberg Global Aggregate Bond Index yield rising more than almost any month in the last three years (Chart 1). The US Federal Reserve (Fed) bolstered its inflation-fighting credibility and bought itself time by delivering its first policy rate increase of the cycle whilst markets quickly incorporated expectations for additional tightening through 2027. Nonetheless, Treasury yields moved sharply higher across the curve, with both 10- and 30-year Treasury yields reaching levels not seen in nearly a quarter century. The move occurred despite ongoing efforts by the US Treasury Department to support market liquidity and moderate pressure on longer-dated securities through its buyback program, underscoring the strength of forces driving yields higher. The steady climb in rates early in the month became increasingly volatile as September progressed, producing one of the most difficult periods for bond investors since the rate shocks of recent years.

Chart 1: Yields jumped in September



Source: Bloomberg Finance L.P. Yield to worst for the Bloomberg Global Aggregate USD Hedged (LEGATRUH) Index. As at 30-Sep-26.
1. Mortgage-backed securities 2. bps = basis points, 100 bps equal 1.00%

Against this backdrop, investor conversations have increasingly centred on a familiar question: is the rise in yields creating opportunity or simply signalling more pain ahead?

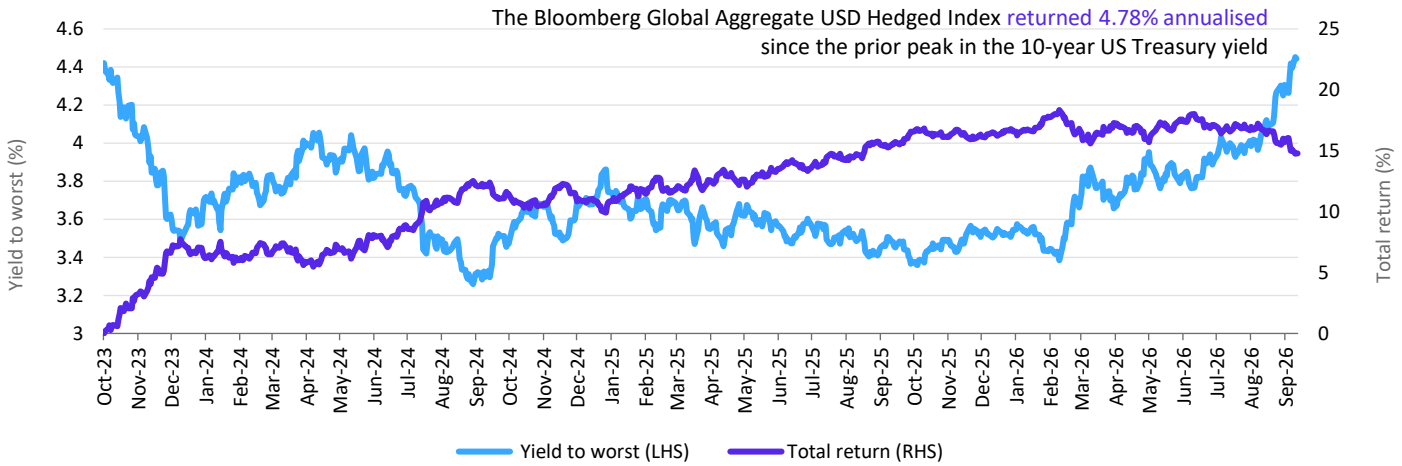
Whilst the move higher in rates has been significant, much less has changed in the broader economic backdrop. Growth remains positive, labour markets remain healthy, inflation continues its gradual moderation and the Fed has maintained a cautious, data-dependent approach. What has changed most dramatically is the level of income available to fixed income investors.

Starting yields still matter

One aspect of the current environment stands out. Treasury yields today are approaching levels last seen in late 2023 (and before that, 2007), when investors were presented with some of the highest yields available in many years. At the time, elevated yields were viewed as an attractive entry point. Many investors worried that the opportunity would prove short-lived and that yields would decline once the Fed eventually began easing policy.

Recent market moves may make the decision to take advantage of the attractive yields available three years ago feel less rewarding than it did just a few months back. Yet a longer-term view provides a different perspective. Despite the recent backup in rates, bonds have actually generated attractive annualised returns since the prior peak in Treasury yields during October 2023 (Chart 2).

Chart 2: Elevated starting yields have resulted in attractive total returns for fixed income



Past performance does not guarantee future results. Source: Bloomberg Finance, L.P. Total return (right-hand side axis) and yield to worst (left-hand side axis) for the Bloomberg Global Aggregate USD Hedged (LEGATRUH) Index from 19-Oct-23. As at 30-Sep-26.

The lesson is not that investors successfully timed the market but rather that starting yield matters. Whilst fluctuations in rates can create meaningful short-term price volatility, income has been the largest and most dependable contributor to fixed income returns over time. For investors who added fixed income exposure when yields reached previous highs, the recent sell-off is understandably frustrating. However, the experience also illustrates an important point: attractive starting yields can stack the deck in favour of investors even when the path forward proves less linear than hoped.

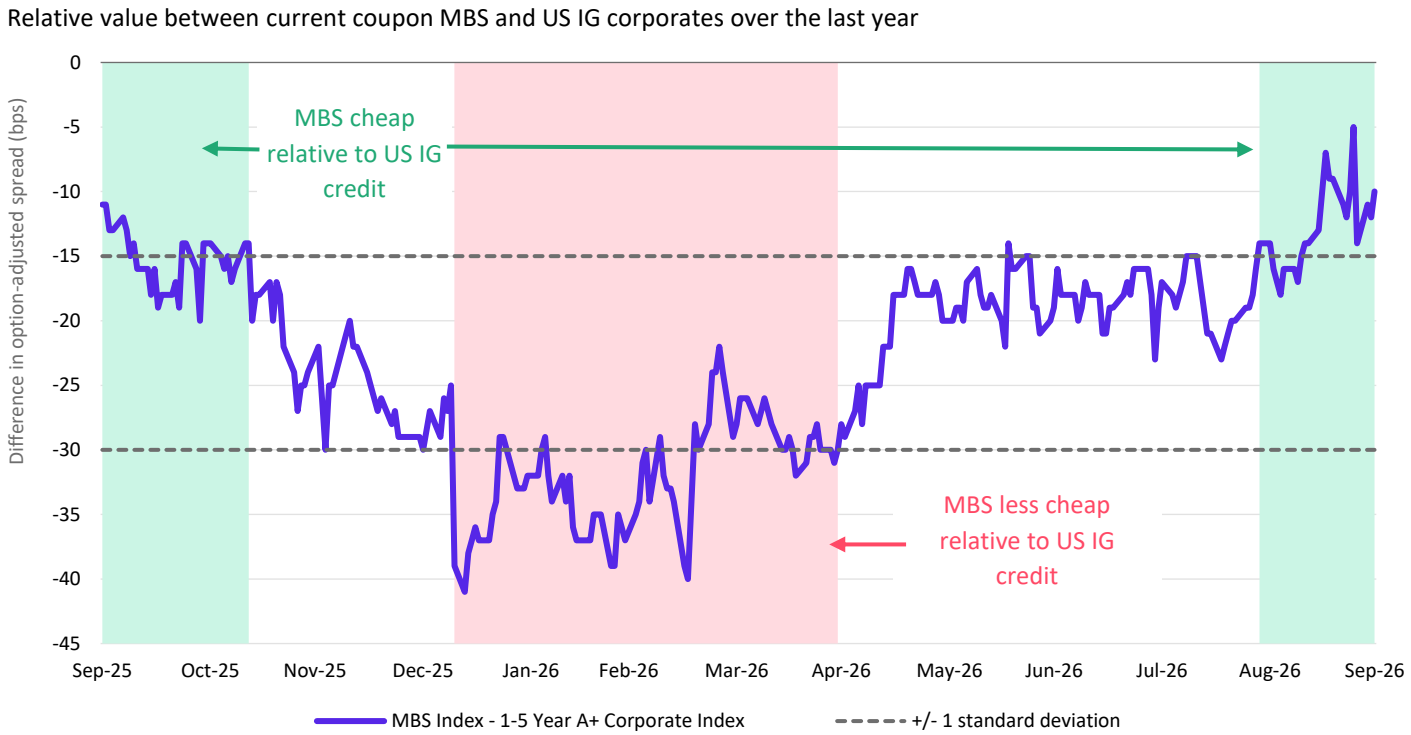
An improving opportunity set

Whilst uncertainty surrounding the path of interest rates remains high, today's starting yields provide a more supportive backdrop for forward returns. Importantly, investors do not need to assume that rates are about to fall for fixed income to generate attractive outcomes. With yields at or near the highest levels seen in a generation, income has the potential to play a much larger role in total returns than it has for most of two decades.

Within the portfolio, we have responded by modestly increasing duration exposure, primarily in the intermediate portion of the Treasury curve. Our objective is not to make an aggressive call on lower rates but rather to capitalise on what we view as an increasingly attractive risk/reward profile driven in large part by the prospect of higher income due to higher starting yields. Today's curve offers investors the ability to earn compelling income without needing to reach meaningfully further out in maturity.

We have also become more constructive on select areas of the securitised market. Higher volatility has improved relative value opportunities within agency MBS, where spreads have widened relative to investment-grade (IG) corporate bonds (Chart 3).

Chart 3: Agency MBS has lagged, making relative valuations to IG credit more compelling



Sources: Bloomberg Finance L.P. and Allspring. OAS differential between the Morgan Stanley 30-Year Conventional Current Coupon (MSCCOAS) Index and the Bloomberg US Corporate 1–5 A or higher (I04778US) Index. As at 30-Sep-26.

Whilst agency MBS remain sensitive to interest rate volatility, recent underperformance has created a more attractive entry point than we have seen in some time. Unlike corporate credit, where spreads remain compressed by historically strong demand despite record new issuance, agency MBS valuations have adjusted more meaningfully to the changing rate environment. Elevated yields have also pushed mortgage rates higher, reducing the share of current mortgages with an incentive to refinance to almost 1% from closer to 22% at the beginning of 2026. We used this weakness to increase exposure to the sector through current production coupons, viewing the combination of wider spreads, strong liquidity and government backing as an increasingly compelling source of income and potential excess return. At the same time, we remain disciplined within corporate credit, where spread valuations continue to offer limited compensation relative to historical levels.

Looking ahead, we remain focused on identifying opportunities where volatility creates value rather than attempting to predict the precise path of interest rates. Even if rates remain volatile, move sideways or drift modestly higher, investors are beginning from a significantly stronger income foundation. Whilst market conditions are likely to remain uneven and therefore uncomfortable for investors, elevated starting yields and improving sector valuations provide a more compelling outlook for fixed income than has existed for much of the last decade.

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1 The Benchmark for the Master Fund is the Bloomberg Global Aggregrate Bond Index (USD Hedged)

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