Allspring

Climate Transition Global Buy and Maintain Fund

OBJECTIVES AND PROCESS

- Seeks total return, maximising investment income whilst preserving capital
- Invests two-thirds of its assets in investment-grade credit debt securities—graded such at the time of purchase—issued by corporate issuers domiciled anywhere in the world
- May invest up to one-third of its total assets in below-investment-grade debt securities
- Will hedge non-GBP denominated investments to the GBP
- Will target to decarbonise the sub-fund by 2050
- Uses a negative screen to exclude securities issued by companies based on their exposure to ESG risks
- May invest up to 30% of its total assets in perpetual bonds
- May invest up to 15% of its total assets in emerging markets
- May also use derivatives for hedging, efficient portfolio management or for investment purposes
- Focus on bottom-up credit research with a focus on well-underwritten credits and relative value
- Intends to hold bonds until maturity

KEY RISKS

Debt securities risk: Debt securities are subject to many factors, including, but not limited to, changes in interest rates and an issuer's ability and willingness to make payments when due. **Global investment risk:** Securities of certain jurisdictions may be affected by uncertainties such as international political developments, currency fluctuations and other developments in the laws and regulations of countries in which an investment may be made. These may result in rapid and extreme changes in securities prices. **High yield securities risk**: High yield securities are rated below investment grade, have a higher risk of default and prices may be more volatile than higher-rated securities of similar maturity. **Derivatives risk:** The use of derivatives presents risks different from, and possibly greater than, the risks associated with investing directly in traditional "cash" securities. The use of derivatives can lead to losses because of adverse movements in the price or value of the underlying asset, index or rate, which may be magnified by certain features of the derivatives. **ESG risk**: Applying an ESG screen for security selection may result in lost opportunity in a security or industry resulting in possible underperformance relative to peers, ESG screens are dependent on third party data and errors in the data may result in the incorrect inclusion or exclusion of a security.

For regulatory reasons, we are unable to show performance until there is a complete 12 month performance record.

Market overview

In April credit spreads as measured by the ICE BofA Sterling Corporate index widened by 1bps from a spread of government bonds +114bps to +115bps, leading to an excess return of 0.14%. Total return for the month was -2.04%; the 10-year UK government bond repriced 40bps higher in yield to 4.35%.

Economic Review

After a very strong first quarter of the year for financial markets, the start of the second quarter was much tougher, with losses being registered across a number of asset classes throughout April. The S&P ended a run of 5 consecutive monthly gains to return -4.1% in April and US Treasuries also recorded their worst month of 2024 (-2.1% in April), as concerns over sticky inflation grew. Markets also had to grapple with growing geopolitical tensions coming out of the Middle East after Iran launched a drone missile attack on Israel.

Hawkish US data prints were a common and dominant theme throughout April. The month began with ISM manufacturing heading back into expansionary territory for the first time since October 2022, with the prices paid indicator at its highest since July 2022. Tight labour market conditions continued to be evident with the US Non-Farm Payrolls reporting an increase of 303k jobs in March and most significantly, the US inflation report showed that March Core CPI was running at a monthly pace of +0.4% for a third consecutive month, making it very difficult to argue that the stronger prints in January and February were just a blip.

With expectations of rate cuts from the US diminishing, investors began to consider how this may constrain other central banks. For instance, the market pricing for ECB cuts by the December meeting had come down to just 66bps at the end of the month, having been pricing 89bps of cuts at the start of the month, though expectations remained that the first cut from the ECB would still come in June.

Despite the geopolitical concerns and the rates volatility, credit spreads remained firm and anchored close to the YTD tights with outright yield levels continuing to look attractive and fund inflows to the asset class continuing to be a supportive technical. Supply in Europe was surprisingly robust in April (€59bn) and was relatively evenly split between non-financials and financials (€27.5bn and €31.5bn respectively). Demand remained strong with healthy book coverage driving new issue premiums to a minimum.

Outlook

Looking ahead, we expect strong demand, higher credit yields, and robust supply technicals to remain supportive of the Global Investment Grade Credit market:

Spread outlook: Spreads have gradually moved tighter YTD and are approaching the post-GFC tights in the US. We expect to see spreads remain range-bound moving forward, as the effects of slowing growth are offset by tailwinds from strong demand.

Macroeconomic outlook: Economic activity has proven resilient in 2024, despite aggressive tightening of monetary policy and tightening financial conditions. However, we believe that the monetary policy transmission mechanism is simply taking longer to impact the real economy: we expect to see slowing economic activity in 2H 2024.

Investors should note that, relative to the expectations of the Autorité des Marchés Financiers, this fund presents disproportionate communication on the consideration of non-financial criteria in its investment policy.

Climate Transition Global Buy and Maintain Fund

GENERAL FUND INFORMATION

Portfolio managers: Henrietta Pacquement, CFA®; Alex Temple; Scott M. Smith, CFA®; and Jonathan Terry, CFA®

Benchmark: ICE BofA Sterling Corporate Index[1]

Fund inception: 23 Aug 2023

Management approach: Actively managed

Sustainable Finance Disclosure Regulation: Article 8[†]

Government yield outlook: Governement bond yields moved meaningfully higher in the four months of the year as market expectations about the pace and magnitude of monetary policy tightening in 2024 softened. Strong economic data, a tight labour market and resilient inflation prints has resulted in a shift in market expectations.

Monetary policy outlook: The market was too aggressive in its expectations of the pace and timing of monetary policy loosening – we expect to see strong economic and inflation data delay a cut by the Federal Reserve, initially pencilled in for July 2024. We expect 4 x 25bps cuts in the deposit rate from the ECB this year, starting at their meeting in June.

†Promotes environmental and social characteristics but does not have a sustainable investment objective.

Climate Transition Global Buy and Maintain Fund

1. The fund uses the ICE BofA Sterling Corporate Index for performance and carbon intensity comparison. The investments of the sub-fund may deviate significantly from the components of and their respective weightings in the benchmark. The benchmark index is not consistent with the environmental or social characteristics promoted by the sub-fund.

CFA® and Chartered Financial Analyst® are trademarks owned by CFA Institute.

The views expressed and any forward-looking statements are as of May 2024 and are those of the portfolio managers. The views are subject to change at any time in response to changing circumstances in the market and are not intended to predict or guarantee the future performance of any individual security, market sector or the markets generally.

More information about the Allspring (Lux) Worldwide Fund and its sub-funds (herein, the fund)—including the privacy policy, a copy of the prospectus or key investor information documents (KIIDs)—is available upon request from your regional Allspring Global Investments™ (Allspring) contact or by visiting the fund's website at www.allspringglobal.com. The prospectus and KIIDs contain detailed information, including information on the fund objectives, risks, fees, expenses and sustainability.

This information is a Marketing Communication, unless stated otherwise, for professional clients/investors, eligible counterparties or qualified investors only (as defined by local regulation). Recipients who do not wish to be treated as professional clients should notify their Allspring contact immediately. This Marketing Communication does not form part of the prospectus relating to the fund and is not an offer, invitation or solicitation to subscribe for shares in the fund. Such an offer or solicitation can only be made pursuant to the applicable offering document. Please refer to the prospectus and KIIDs and consider all characteristics and objectives of the fund before making any final investment decisions.

The Fund is authorised by the Luxembourg Supervisory Authority as a UCITS SICAV and has been authorised for public distribution only in certain jurisdictions.

THIS DOCUMENT AND THE INFORMATION WITHIN DOES NOT CONSTITUTE AN OFFER OR SOLICITATION IN ANY JURISDICTION WHERE OR TO ANY PERSON TO WHOM IT WOULD BE UNAUTHORISED OR UNLAWFUL TO DO SO.

The Principal Distributor of the Fund, Allspring Global Investments Luxembourg S.A ["Allspring Luxembourg"], may appoint sub-distributors (both affiliated and non-affiliated). To formalise the appointment, the Principal Distributor enters into sub-distribution, platform, marketing support or equivalent arrangements. The Principal Distributor retains the right to terminate those arrangements.

Investors have rights which include economical rights (such as redemption rights and profit rights), rights to fair information and equal treatment, complaints rights and the right to participate in General Meetings of Shareholders if the investor is registered under their own name in the register of Shareholders of the Fund. Further information may be found in the prospectus.

Directive (EU) 2020/1828 of 25 November 2020 on representative actions for the protection of the collective interests of consumers (the "Collective Redress Directive") provides for a collective redress mechanism which applies, in case of infringements by traders of, amongst others, Directive 2009/65/EC relating to undertakings for collective investment in transferable securities (the "UCITS Directive"), including such provisions as transposed into national law that harm or may harm consumers' collective interests. The Collective Redress Directive shall be transposed by Member States, including Luxembourg, by 25 December 2022 and shall apply from 25 June 2023.

Your capital may be at risk. **Past performance is not a guarantee or reliable indicator of future results**. Any past performance, forecast, projection, simulation or target is indicative and not guaranteed. Fees and expenses will reduce returns. Returns may increase or decrease as a result of currency fluctuations. **All investments contain risk**. The value, price or income of investments or financial instruments can fall as well as rise. You may not get back the amount originally invested. The Fund may not achieve its objective and/or you could lose money on your investment in the Fund.

Unless otherwise stated, Allspring Global Investments™ ["Allspring"] is the source of all data (which is current or as of the date stated); content is provided for informational purposes only with no representation regarding its adequacy, accuracy or completeness; views, opinions, assumptions or estimates are not necessarily that of Allspring or Allspring Global Investments Holdings, LLC and are subject to change without notice; information does not contain investment advice, an investment recommendation or investment research.

Any benchmark referenced is for comparative purposes only, unless specifically referenced otherwise in this material and/or in the prospectus, under the Sub-Funds' Investment Objective and Policy.

Distribution in the United Kingdom (UK), European Economic Area (EEA) and Switzerland:
Allspring Global Investments™ ["Allspring"] is the trade name for the asset management firms of Allspring Global Investments Holdings, LLC, a holding company indirectly owned by certain private funds of GTCR LLC and Reverence Capital Partners, L.P. These firms include, but are not limited to, Allspring Global Investments (UK) Limited ["Allspring UK"] an investment management company, authorised and regulated by the UK Financial Conduct Authority (FCA), and Allspring Global Investments Luxembourg S.A ["Allspring Luxembourg"], authorised and regulated by the Commission de Surveillance du Secteur Financier (CSSF). Allspring Luxembourg has branches in Frankfurt,Paris and Milan and is allowed to provide services on a cross-border basis in the EEA. This material has been approved for distribution in the UK by Allspring UK, for the purposes of Section 21 of the Financial Services and Markets Act 2000 (FSMA). Allspring UK does not provide services to retail clients, the FSMA rules for retail clients will not apply and the United Kingdom Financial Services Compensation Scheme is not available. Unless otherwise stated, information does not contain investment advice, an investment recommendation or investment research as defined under FCA regulations or the Markets in Financial Instruments Directive (Directive 2014/65/EU (MiFID II) and therefore does not comply with the requirements for the provision of such services. For Professional Investors only. Recipients who do not wish to be treated as Professional clients should notify their Allspring contact immediately.

Important Information:
Luxembourg: the prospectus, KIIDs and any other relevant material (such as the annual and semi-annual reports) are available free of charge at the registered office of the Fund, c/o Brown Brothers Harriman (Luxembourg) S.C.A., 80 Route d'Esch, L-1470 Luxembourg, or can be downloaded from allspringglobal.com. Documents are in English (the prospectus and annual and semi-annual reports are also available in French and German). **Switzerland:** the information provided herein does not constitute an offer of this UCITS in Switzerland pursuant to the Swiss Federal Law on Financial Services (FinSA) and its implementing ordinance. This is solely an advertisement pursuant to FinSA and its implementing ordinance for this UCITS. Copies of the prospectus, KIIDs, the articles of association and the annual and semi-annual reports are available free of charge from the Swiss Representative and Paying Agent: BNP Paribas Securities Services, Paris, succursale de Zurich, Selnaustrasse 16, 8002. **United Kingdom:** the prospectus, KIIDs and any other relevant material (including the annual and semi-annual reports) are available free of charge in English from the fund's administrator.