

Navigating Today's Global Fixed Income Markets

2025 BCI GLOBAL INVESTMENT CONFERENCE

Janet Rilling, CFA®

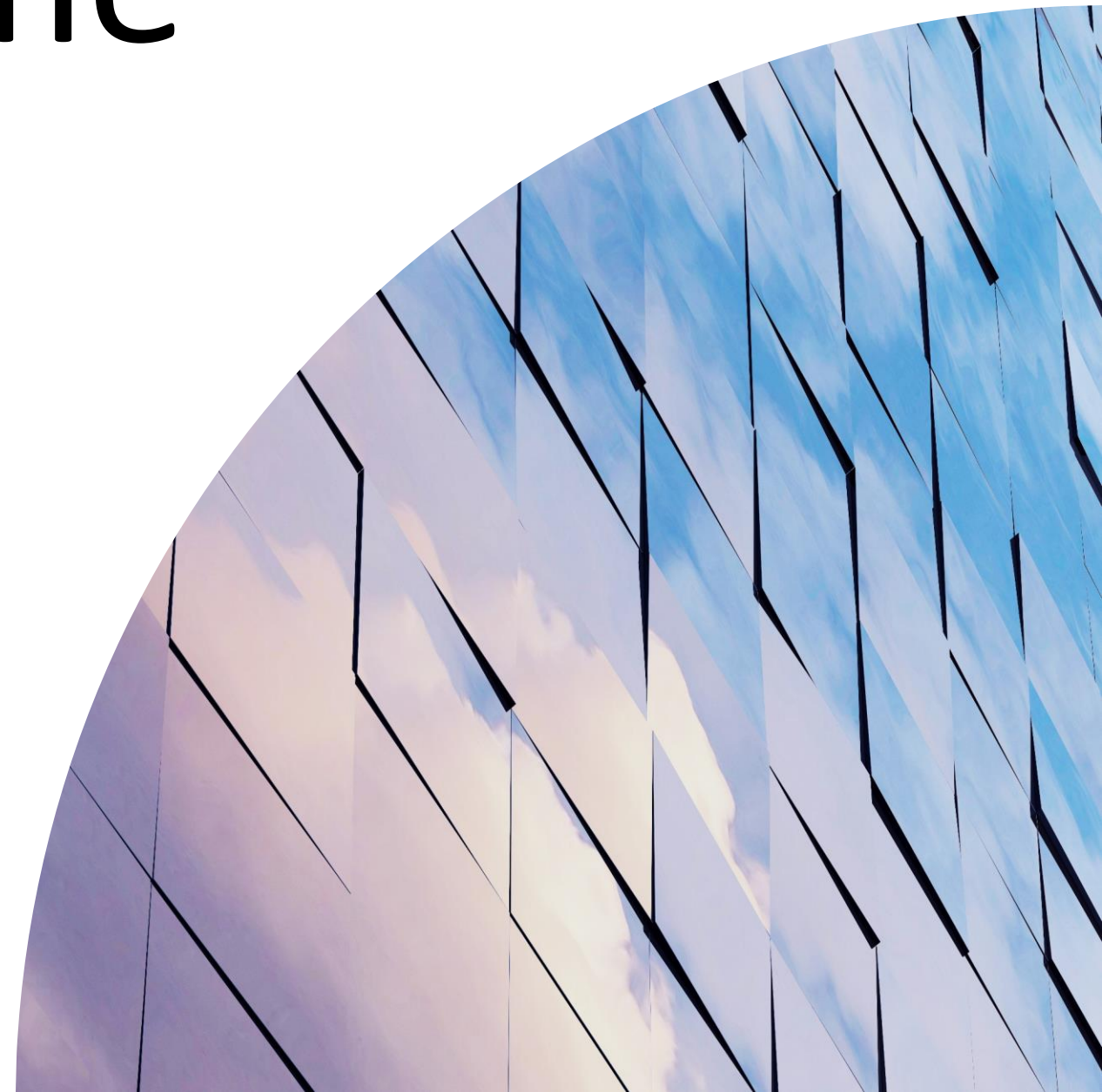
Senior Portfolio Manager

Head of Plus Fixed Income Team

May 12, 2025

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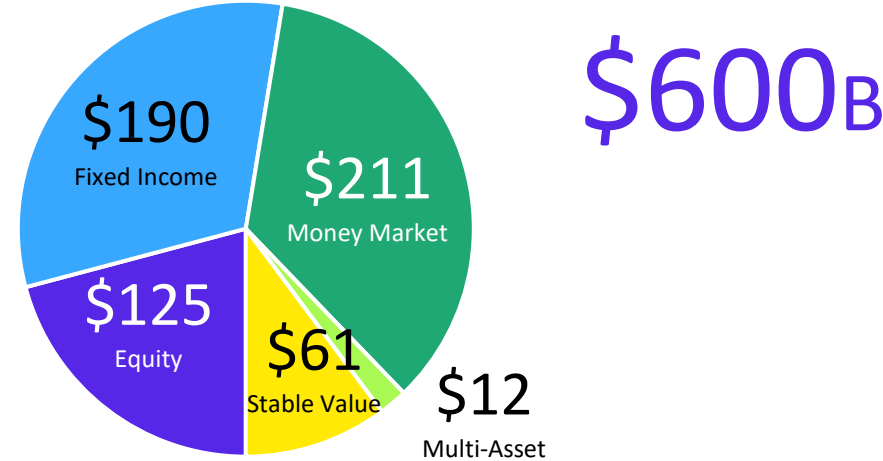




Allspring Global Investments

Providing a broad range of investment solutions to help our diverse client base meet their investment objectives

Assets under advisement¹



Multiple vehicles of access⁴

Pursuing client investment goals through a diverse range of product offerings

- Mutual Funds
- Active ETFs
- SMAs
- UCITs
- Collective Funds
- Closed-End Funds
- Alternative Investment Funds (AIFs)

Our clients

- Consultants
- Corporations
- Endowments & Foundations
- Financial Advisors
- Financial Institutions
- Government/ Official Institutions
- Insurance Companies
- Pensions & Retirement Plans

Our people

1,375+ dedicated employees

390+ investment professionals²

24 years portfolio managers' average years of investment experience

Strong track record of excess returns[†]

	% OF COMPOSITE ASSETS OUTPERFORMING THEIR BENCHMARK ²	
	GROSS	NET
1-year	72%	60%
3-year	82%	62%
5-year	83%	74%
10-year	88%	74%

Our statistics

- 20 offices globally
- Headquartered in Charlotte, North Carolina
- Leading SMA provider³

Sources: 1. Allspring and affiliates. Figures are as of 31-Mar-25, unless otherwise noted. Please note that the assets under advisement (AUA) figures provided include discretionary and non-discretionary assets and have been adjusted to eliminate any duplication of reporting among assets directed by multiple investment teams and includes \$82B from Galliard Capital Management (\$61B stable value; \$20B fixed income). AUA includes non-discretionary assets that are not captured in Allspring's assets under management (AUM) figure of \$533B which includes Galliard, an investment advisor that is not part of the Allspring trade name/GIPS firm. Numbers may not add up to the total presented due to rounding. 2. Investment talent includes directors and associate level professionals. 3. Cerulli's league table as of 31-Dec-24. 4. Not all strategies are available in every region. [†]For illustrative purposes only. **Past performance is not indicative of future results.** The percentage of composite assets that outperform their corresponding benchmarks based on 190, 169, 154, and 128 institutional and managed account composites (Allspring composites) shown gross/net of fees for the 1-, 3-, 5-, and 10-year periods ending 31-Mar-25, respectively. Money market, passive, and bond ladder composites as well as composites managed by Galliard Capital Management and Peregrine Capital Management are excluded from the calculation. Please note that the percentage of composite asset figures provided only includes discretionary assets and has been adjusted to eliminate duplication of reporting across multiple composites. Performance will vary if different time periods are used. Not all strategies are available in every region. Data shown is intended to reflect the percentage of assets in the Allspring composites that outperformed compared with their respective benchmarks and does not reflect actual returns achieved by any particular account. Not all strategies or products represented by the Allspring composites are available or appropriate for all investors. Percentage outperformance does not suggest that outperformance was significant, and in some cases, it may be de minimis. Furthermore, outperformance does not suggest that performance was positive, and investors may have lost money.



A unique partnership



Allspring Global Investments is an independent asset management firm with more than \$600 billion in assets under advisement, over 20 offices globally, and investment teams supported by 400+ investment professionals.

Allspring is committed to thoughtful investing, purposeful planning, and inspiring a new era of investing that pursues both financial returns and positive outcomes.



ASSET MANAGEMENT

Argon Asset Management is an African investment firm with global standards. Argon currently manages R33 billion in local assets and boasts a combined 223+ years of investment industry experience among its investment professionals.

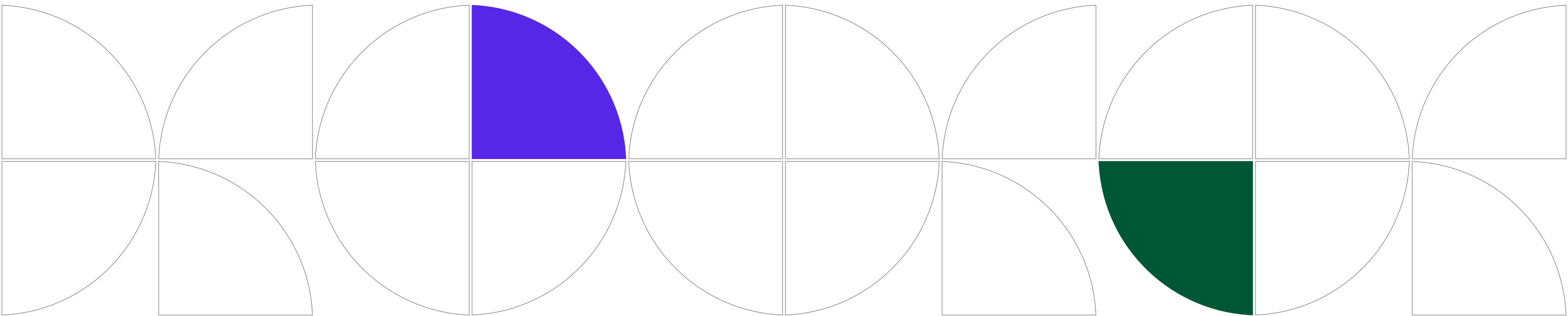
Argon is focused on responsible wealth creation, guided by core values that shape its work culture. Argon has been growing investors' assets since 2005, providing investment management services for retail and institutional investors.

As of 31-Mar-25.

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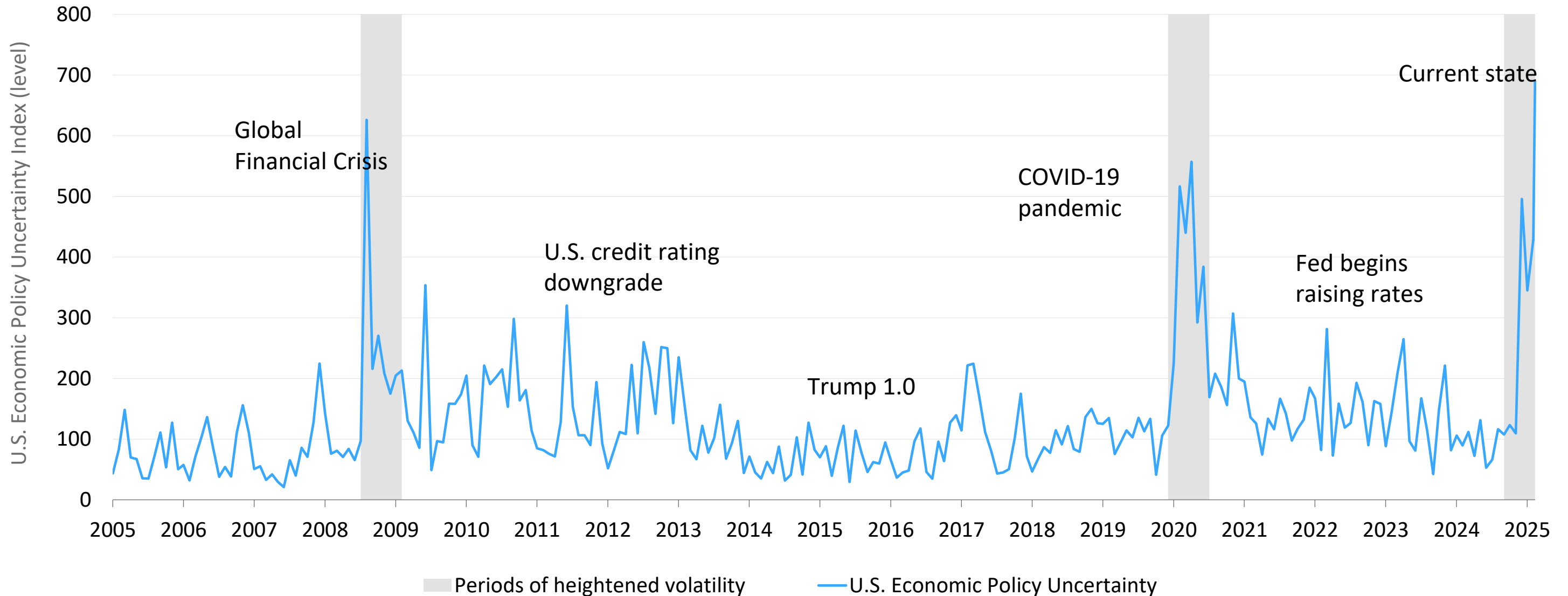
Markets are moving

Global fixed income





Uncertainty is extremely high



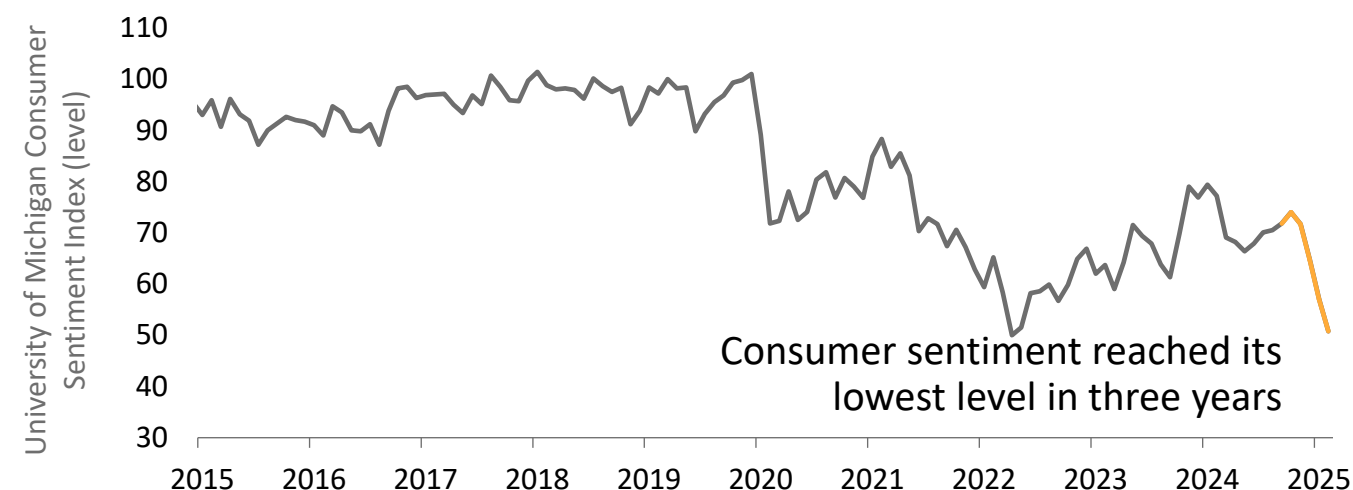
Source: Baker, Bloom & Davis U.S. Economic Policy Uncertainty (EPUCNUSD) Index. As of 09-Apr-25.

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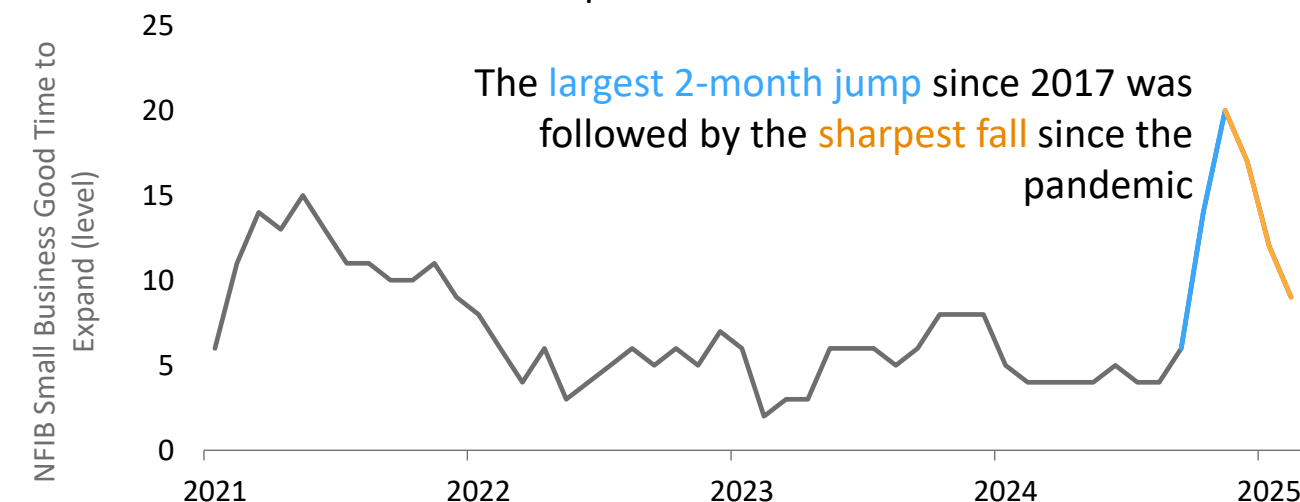


Confidence measures have fallen sharply

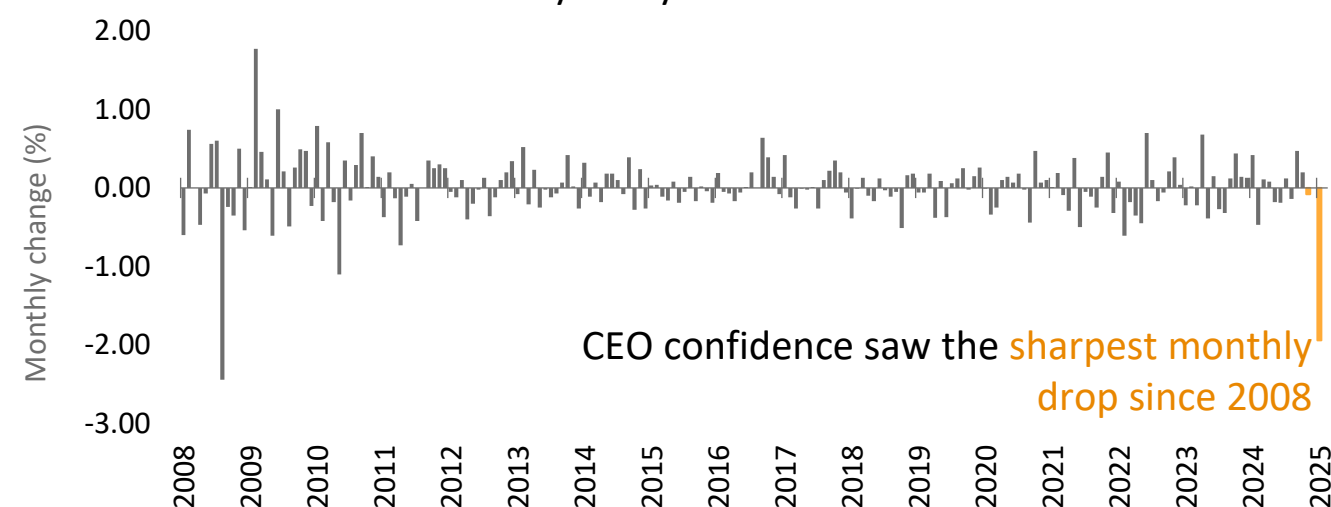
Consumer sentiment has fallen



Small business: Good time to expand



CEO confidence in the economy one year from now



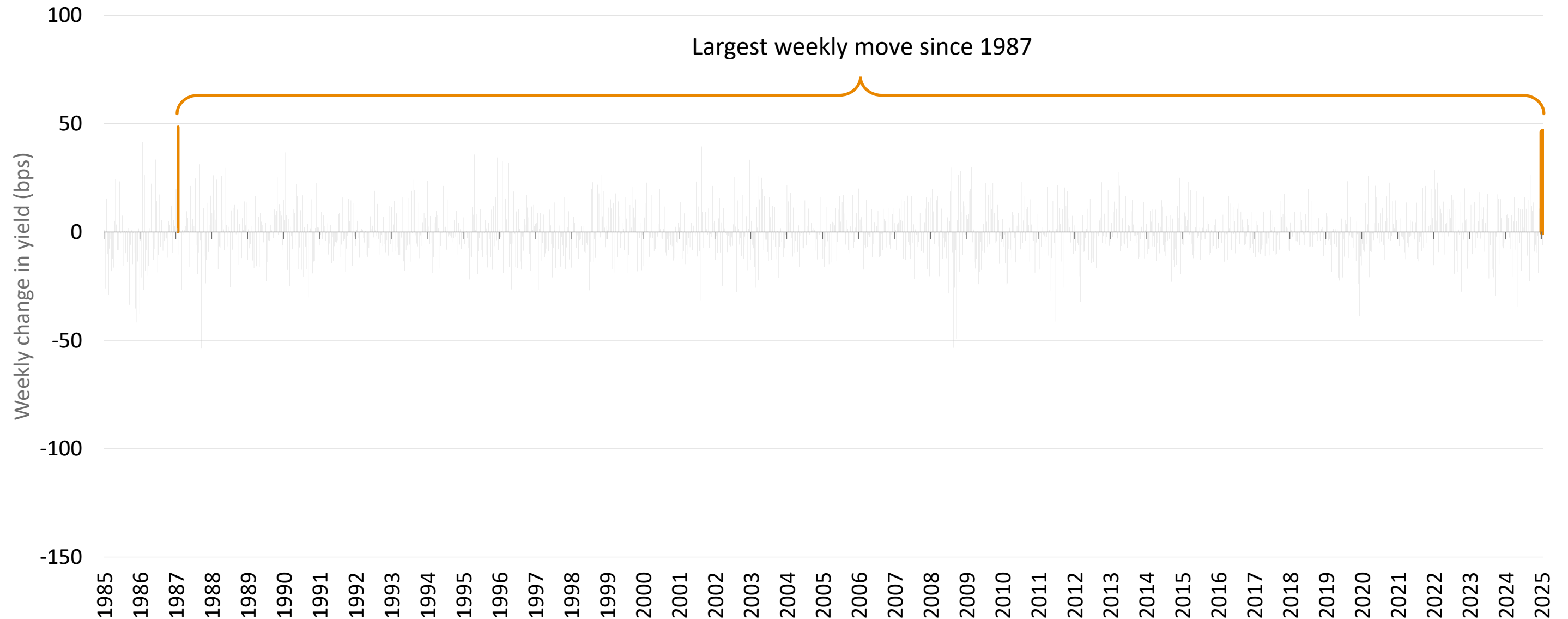
CFIB Business Barometer



Sources: Bloomberg Finance L.P. and the University of Michigan. University of Michigan Consumer Sentiment (CONSENT) Index. As of 31-Mar-25. National Federation of Independent Businesses. NFIB Small Business Good Time To Expand (SBOIEXPA) Index. As of 31-Mar-25. Chief Executive Magazine. CEO Confidence in the Economy 1 Year From Now (CEOCINDX) Index. As of 31-Mar-25. Canadian Federation of Independent Businesses. CFIB Business Barometer Index Canada (CFIBCANA) Index. As of 31-Mar-25.



Treasury yields surged in early April



Source: Bloomberg Finance, L.P. U.S. 30-Year Treasury (USGG30Y) Index. As of 11-Apr-25.

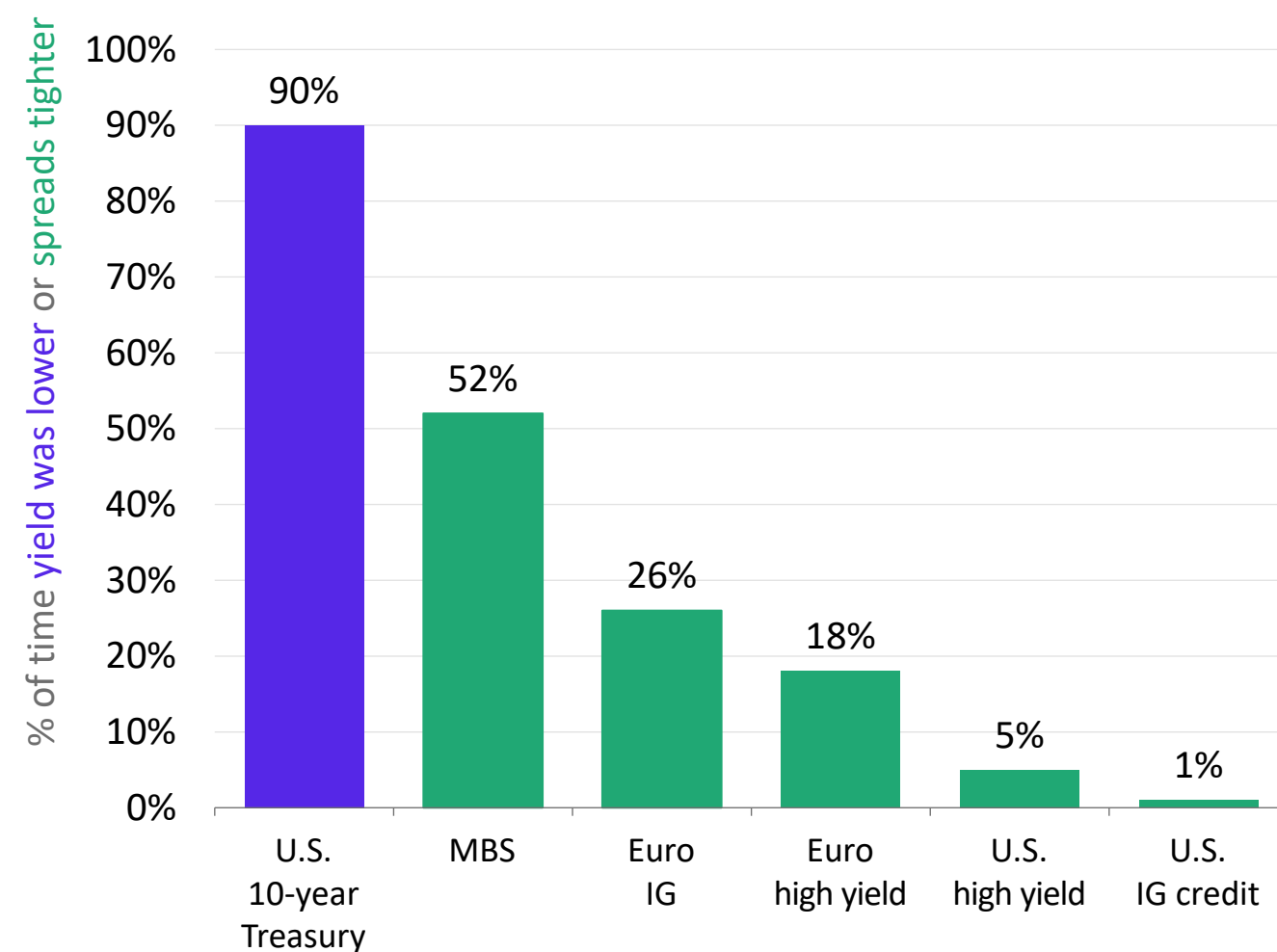
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Credit compensation has increased

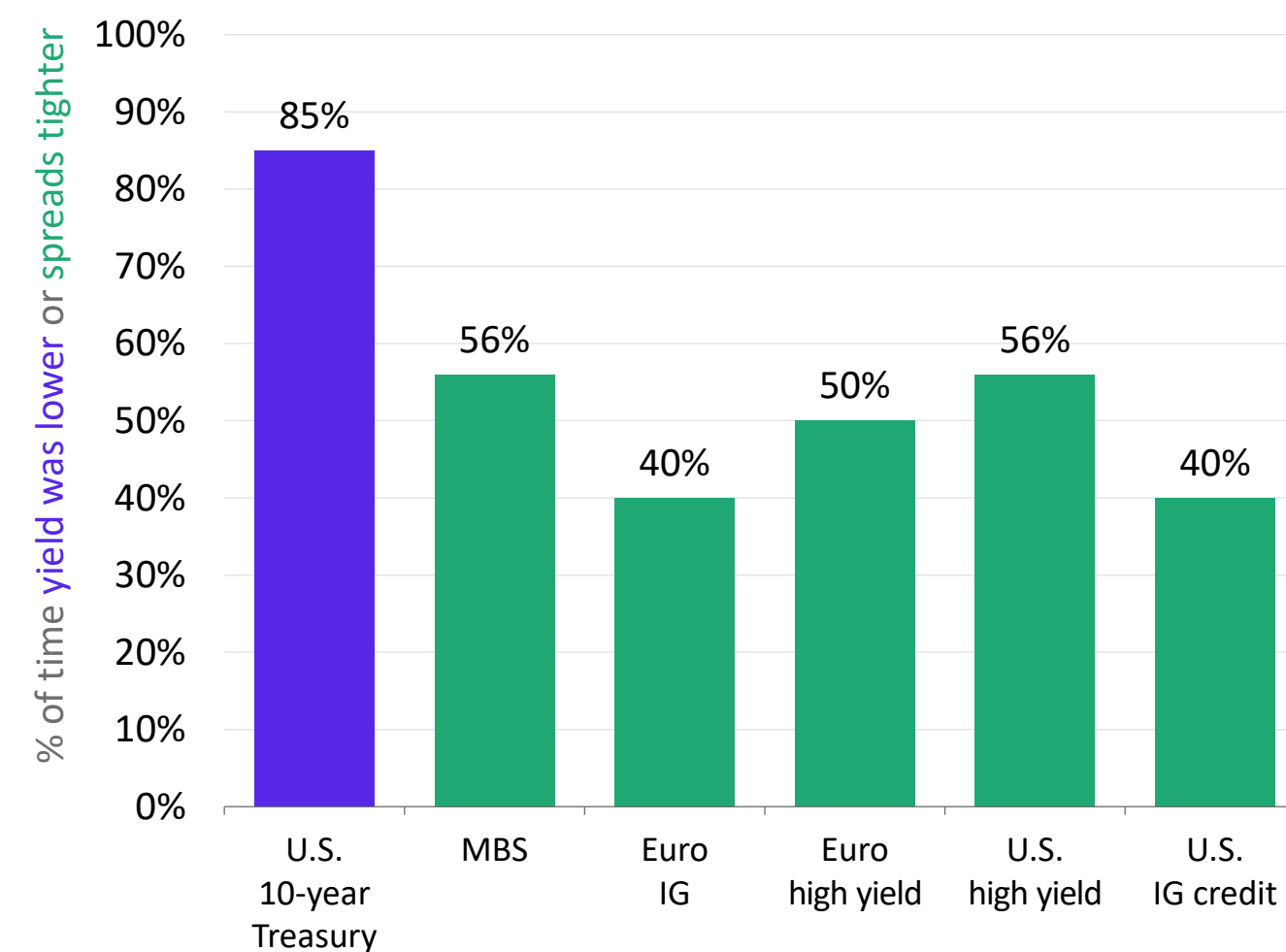
How it started

20 years ending 31-Dec-24



How it's going now

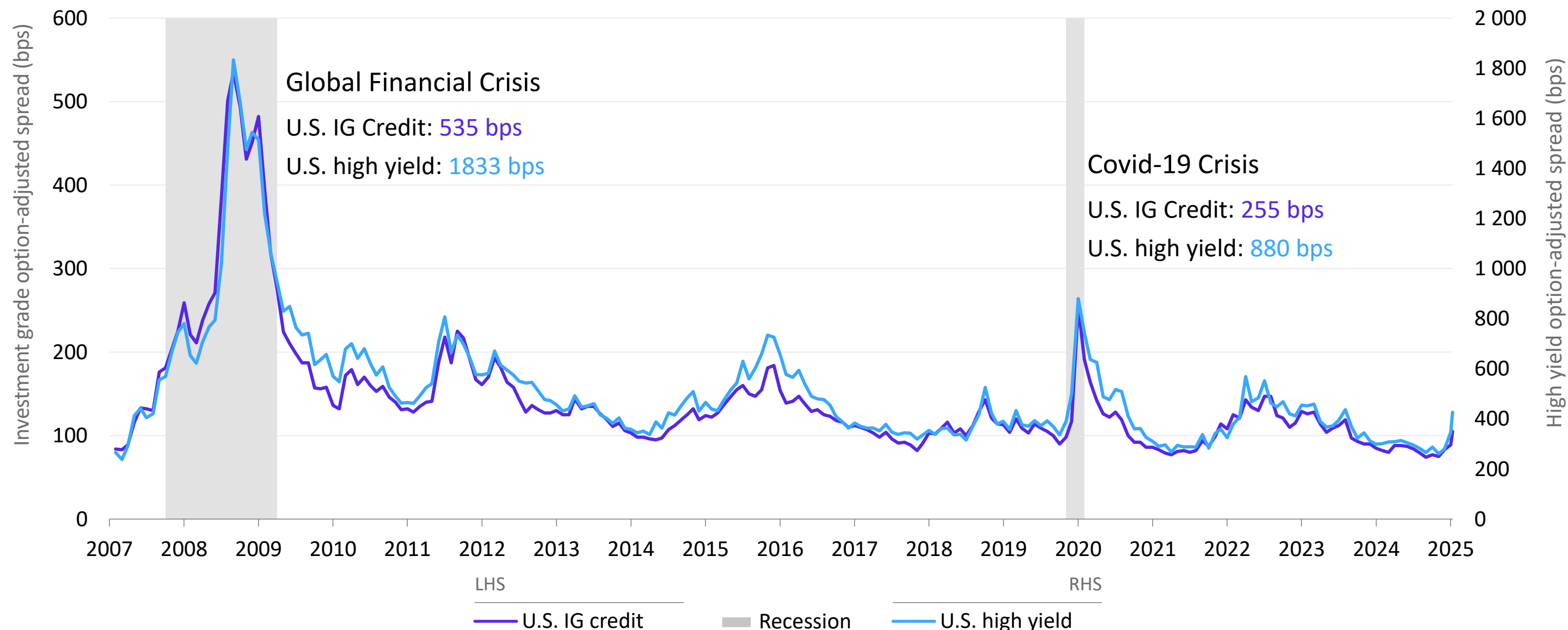
20 years ending 08-Apr-25



Source: Bloomberg Finance, L.P. U.S. 10-Year Treasury (USGG10Y) Index, Bloomberg MBS (LUMSOAS) Index, Bloomberg Pan European Agg Corporate (LP05OAS) Index, Bloomberg Pan European Corporate High Yield (LP01OAS) Index, Bloomberg U.S. Corporate High Yield (LF98OAS) Index, Bloomberg U.S. Credit (LUCROAS) Index. As of 08-Apr-25.



Not near recessionary levels

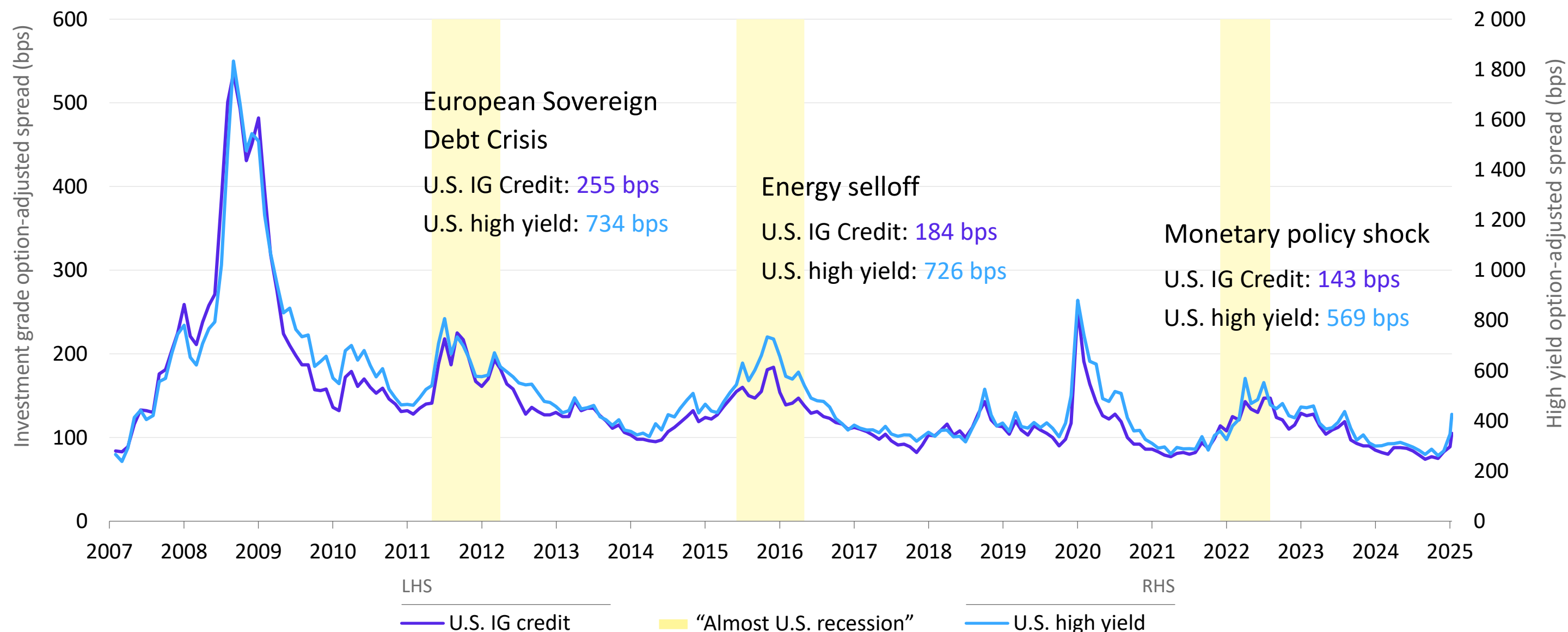


Source: Bloomberg Finance, L.P. Bloomberg U.S. Corporate High Yield (LF98OAS) Index, Bloomberg U.S. Credit (LUCROAS) Index. As of 09-Apr-25.

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Not near “almost recessionary” levels

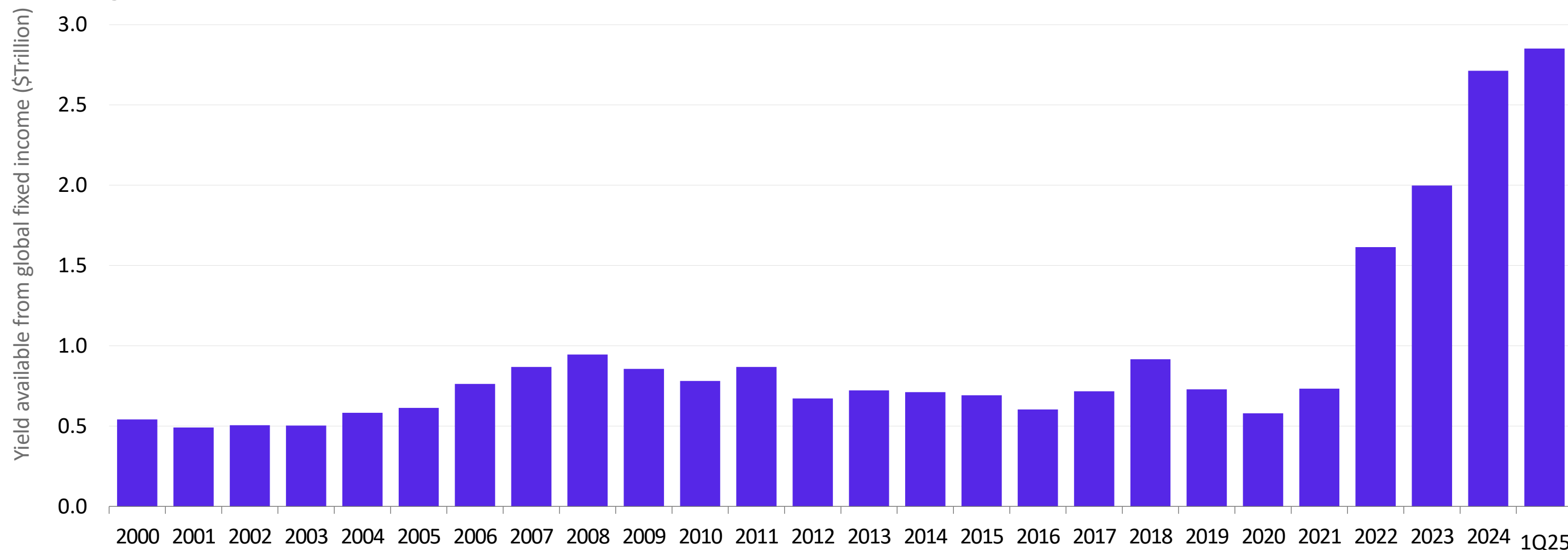


Source: Bloomberg Finance, L.P. Bloomberg U.S. Corporate High Yield (LF98OAS) Index, Bloomberg U.S. Credit (LUCROAS) Index. As of 09-Apr-25.



Global bond markets remain attractive

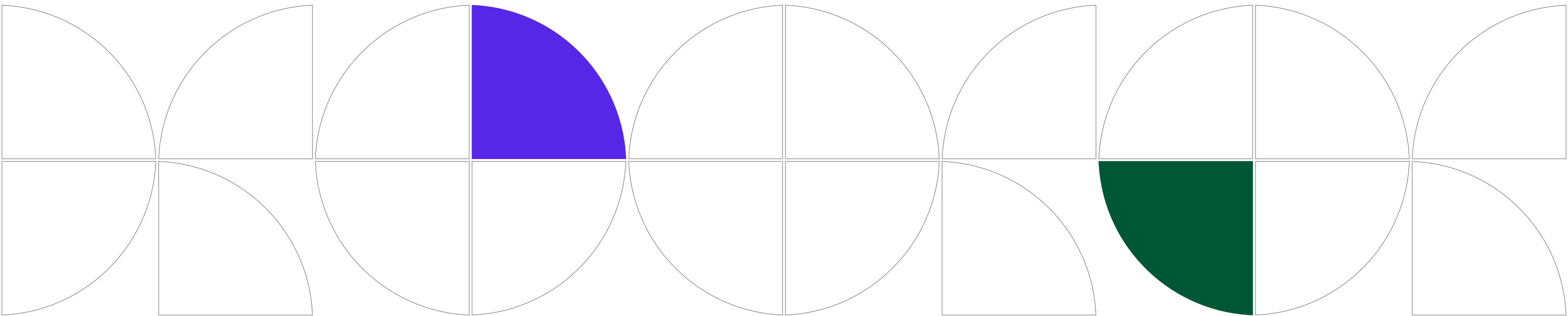
Public global income



Source: Bloomberg Finance L.P. Yield available from global fixed income defined as yield to worst times market value for the for the Bloomberg Multiverse (LF93TRUU Index). As of 31-Mar-25.

What to do?

Managing fixed income today



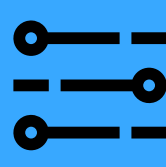


Take a differentiated approach



Investment horizon

Utilize a rolling six-month investment horizon to anticipate market inflection points and position portfolios with conviction



Multiple levers

Allocate broadly across sectors and with flexible duration positioning



Unbiased approach

Seek diversified and unbiased sources of alpha to generate compelling returns over market cycle



Navigating today's fixed income markets

01

Take duration
mindfully

Add modest duration as
hedge to rising recession
risk

Position for steeper
yield curves

02

Tilt public over
private

Higher market interest rates
and stronger liquidity
bolster the value of public
fixed income

03

Focus on high
quality carry

Favor securitized sectors
where spreads are closer to
long-term averages with
attractive liquidity profiles
and strong collateral

04

Be flexible with
corporate credit

Maintain foundational
corporate exposure and dry
powder

Prepare for spreads to be
wider over the next several
months

Corporate defaults may rise,
and may not be entirely
driven by the business cycle
or capital structure

05

Cast a wide net

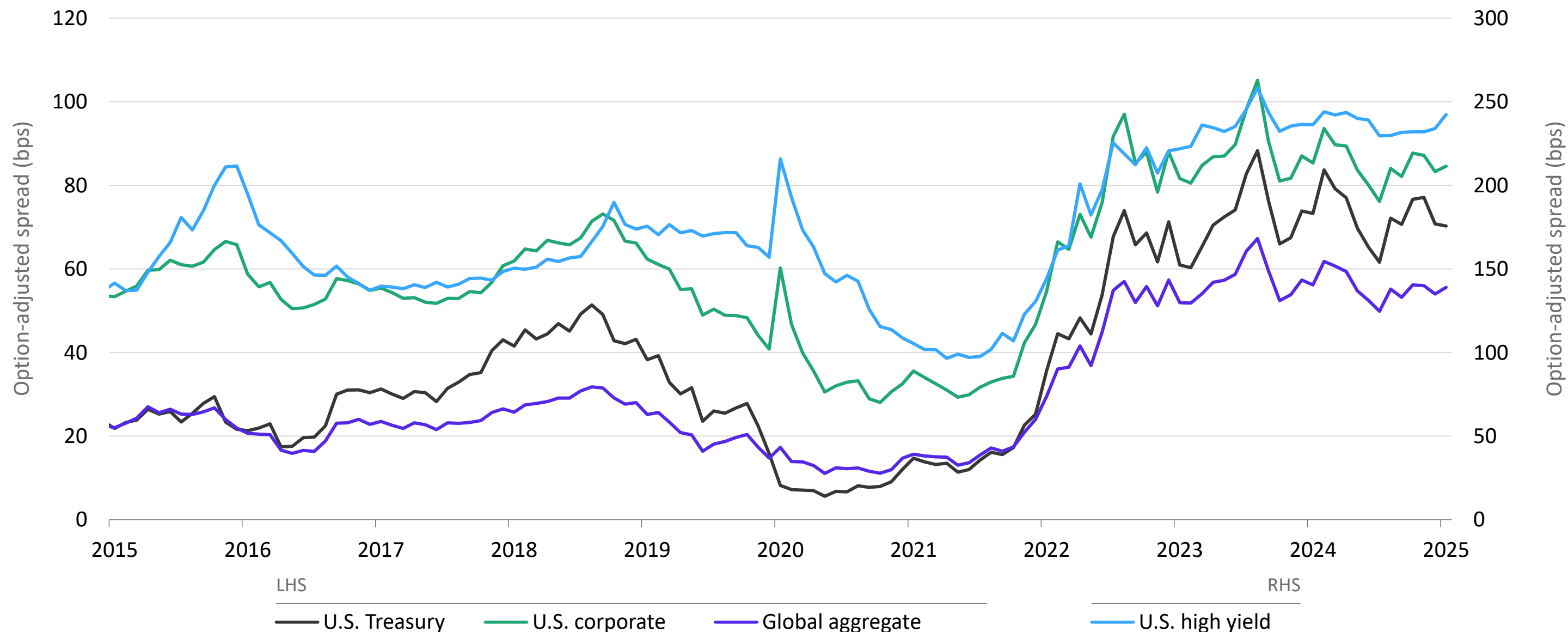
Consider a broad array of
exposures

Allocate globally

Avoid highly
concentrated/single sector
solutions



Yield breakevens remain elevated



Source: Bloomberg Finance L.P. U.S. Treasury = Bloomberg U.S. Treasury (LUATTRUU) Index, U.S. Corporate = Bloomberg U.S. Corporate (LUACTRUU) Index, Global Aggregate = Bloomberg Global Aggregate Bond (LEGATRUU) Index, U.S. high yield = ICE BofA U.S. Corporate High Yield (H0A0) Index. As of 31-Mar-25.

Thank you



For further information

We're committed to thoughtful investing, purposeful planning, and the desire to deliver outcomes that expand above and beyond financial gains.

Click or scan the QR code to check out Allspring's insights:





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