Allspring

Overview, Strategy, and Outlook

Allspring Money Market Funds

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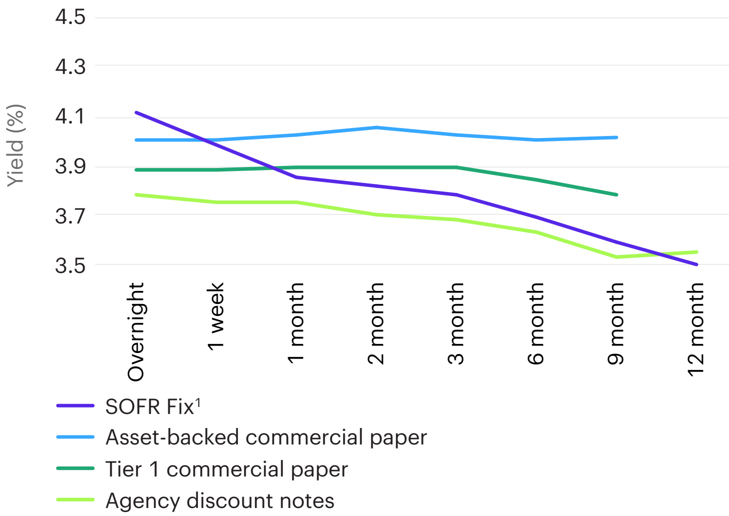
Sector views

Prime sector

The Federal Open Market Committee (FOMC) did not meet this month, meaning its target rate range is unchanged at 3.75–4.00%. The government shutdown ended mid-month, allowing for economic data to start being collected again. The September jobs report (originally due October 3) was released, showing nonfarm employment increased by 119,000—the most since April. However, the unemployment rate ticked higher to 4.4%. Data continues to provide mixed messages, setting up for an interesting FOMC meeting in December. Recent commentary from members of the FOMC are giving a mixed message as well—some calling for a rate cut and others pointing to lack of economic data as reason to be patient with further moves. Recall Federal Reserve (Fed) Chair Powell's press conference in October was fairly hawkish, noting that "an ease in December is not a foregone conclusion, far from it." For now, it appears the FOMC will prioritize the employment mandate, particularly as growing labor market slack should limit inflation effects from tariffs. Private sector indicators continue to point to an economy that is expanding, labor market conditions that also remain at or near full employment, and inflation that is still above 2%. Uncertainty remains high, but the FOMC appears to be more comfortable with the current inflation readings and the possibility that the impacts of tariffs might be transitory. Continued concerns about the fragility of the job market appear to be weighing more heavily on policymakers and could lead to another rate cut (or cuts) in the coming months.

The money market reaction to the uncertainty on the data front combined with mixed messages from FOMC members has been to increase the odds of a rate cut in December. By month-end, futures were almost fully pricing in an ease at the December 10 meeting. In short-term credit markets, the yield curve is still inverted, reflecting expectations that the FOMC will lower its policy rate again relatively soon. However, fixed rates gyrated in reaction to the hawk-versus-dove headlines from various Fed speakers.

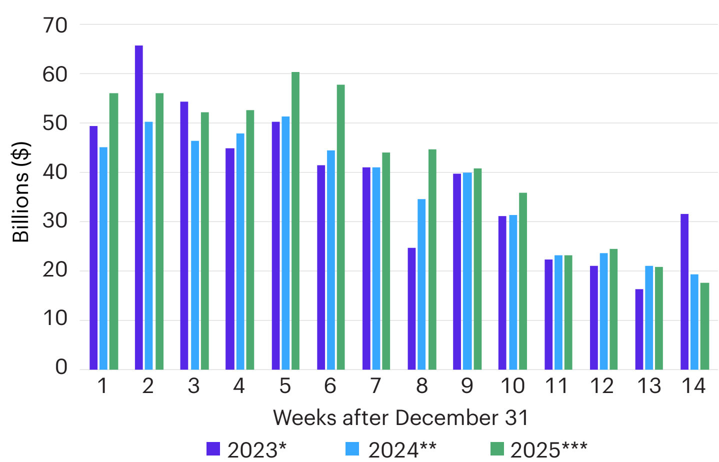
MONEY MARKET YIELD CURVES



Sources: Bloomberg Finance L.P. and Allspring Global Investments

In addition to the upcoming FOMC meeting in December, the market is focused on the funding landscape over year-end. Namely, the total amount of commercial paper maturing past December 31, 2025, is higher compared with this time last year. This tracks, as both issuers and investors are looking to extend maturities but for different reasons. Issuers want to extend maturities for regulatory reasons, while investors are looking to extend maturities to lock in higher yields during the FOMC easing cycle. Once issuers are comfortable with their regulatory positioning, they may be more hesitant to lock in higher funding yields.

THE FED—COMMERCIAL PAPER RATES AND OUTSTANDING SUMMARY



*Outstanding as of November 29, 2023.
**Outstanding as of November 27, 2024.
***Outstanding as of November 26, 2025.

We continue our strategy of opportunistically extending fixed-rate term purchases while maintaining an enhanced liquidity buffer to meet the liquidity needs of our shareholders.

We feel the risk/reward proposition favors extending weighted average maturities[2] to lock in yields in an environment that is skewed toward the FOMC delivering future rate cuts.

U.S. government sector

The Fed's October rate cut to a 3.75–4.00% target range marked its second consecutive reduction, signaling a pivot toward easing. November, however, brought mixed signals. FOMC minutes from the October meeting revealed divisions over whether to cut again in December, with some policymakers advocating patience given sticky inflation near 3%. Market expectations swung sharply: Odds of a December cut fell to roughly 40% mid-month before rebounding above 70% after dovish remarks from New York Fed President John Williams. Adding to the policy shift, the Fed announced it will end quantitative tightening on December 1 and reinvest mortgage-backed securities paydowns into Treasury bills—a move aimed at stabilizing reserves and supporting short-term funding markets.

Heavy Treasury bill issuance remained a defining feature of November as the government rebuilt its cash balance following the debt ceiling resolution. Weekly auctions were sizable, briefly pushing repo rates higher and testing dealer capacity. Conditions improved later in the month as the Fed's reinvestment strategy provided a stabilizing influence. As expectations for further Fed easing gained traction late in the month, yields drifted lower, with the 2-year Treasury note falling toward 3.50% from mid-month highs near 3.70%. The short end of the Treasury curve remains modestly inverted, signaling caution about growth prospects and the pace of policy normalization. For money market funds, these conditions created opportunities to capture attractive yields while maintaining liquidity.

Liquidity management was another key theme. The Fed injected roughly $125 billion via overnight repos in late October and early November to ease funding strains, and its decision to halt balance sheet runoff underscores a defensive posture aimed at stabilizing reserves. The Overnight Reverse Repo Program usage has fallen near zero, leaving reserves as the primary buffer for short-term funding markets. Meanwhile, the Treasury General Account stood near $900 billion at month-end, down slightly from mid-month highs but well above early-year levels. The Treasury's strategy to maintain a robust cash buffer ahead of year-end has drained reserves, tightening liquidity conditions and reinforcing the importance of Fed backstops like the Standing Repo Facility.

Economic data painted a mixed picture. The most recent official jobs report showed the U.S. unemployment rate at 4.4% in September, with October data delayed due to the government shutdown. Inflation remains sticky near 3%, with tariff effects complicating the outlook. Consumer spending softened, and business investment outside artificial intelligence related sectors stayed cautious. These crosscurrents, combined with geopolitical uncertainty and asset valuation concerns, reinforced a risk-off tone that favors government money market funds as a liquidity haven heading into year-end. Looking ahead, the focus will remain on the Fed's December meeting and whether policymakers deliver another rate cut or pause to assess incoming data. Treasury bill supply is expected to stay somewhat elevated, although seasonal dynamics will keep a ceiling on near-term supply increases—keeping front-end yields attractive for cash investors while liquidity dynamics remain in sharp focus.

Municipal sector

Yields in the municipal money space were generally range-bound during the month of November. The Securities Industry and Financial Markets Association[3] (SIFMA) Index was relatively stable, averaging 2.72% (70% of fed effective) for the month, up slightly from an average of 2.69% (69%) during October. Further out on the curve, yields on high-grade fixed paper drifted modestly higher, with one-year yields closing out the month at 2.61%.

While we anticipate that the FOMC will continue to adjust monetary policy toward lower benchmark yields over the coming months, above-target inflation may make it difficult for the Fed to be overly aggressive in lowering rates. Accordingly, we remain selective in our fixed-rate purchases out on the curve. We also continued to emphasize principal stability and liquidity with our high allocation to variable-rate demand notes[4] (VRDNs) and tender option bonds[5] (TOBs) for their daily and weekly liquidity profiles.

On the horizon

The market is now expecting the Fed to lower target rates by 25 basis points (bps; 100 bps equal 1.00%) at its December meeting, but the pace of future rate decreases is still uncertain. Presidential pressure has been for aggressive easing all year. A new Fed chair will be announced imminently, as we know Treasury Secretary Bessent had been interviewing candidates to assume the next chair role when Jerome Powell's term expires in May. Presumably, the pace of easing might quicken with a dove at the helm. In the meantime, please enjoy time with family and friends this holiday season. We'll see you in the new year!

RATES FOR SAMPLE INVESTMENT INSTRUMENTS—CURRENT MONTH-END % (NOVEMBER 2025)

Sector	1 day	1 week	1 month	2 month	3 month	6 month	12 month
U.S. Treasury repos	4.08	4.02	–	–	–	–	–
Fed reverse repo rate	3.75	–	–	–	–	–	–
U.S. Treasury bills	–	–	3.83	3.78	3.74	3.65	3.56
Agency discount notes	3.79	3.76	3.76	3.71	3.69	3.64	3.56
SOFR	4.12	–	3.86	–	3.79	3.70	3.51
Asset-backed commercial paper	4.01	4.01	4.03	4.06	4.03	4.01	–
Dealer commercial paper	3.89	3.89	3.90	3.90	3.90	3.85	–
Municipals	2.85	2.79	2.50	2.51	2.52	2.55	2.61

Sources: Bloomberg Finance L.P. and Allspring Global Investments
Past performance is no guarantee of future results.

Fund	7-day current yield (%)
Money Market Fund*–Premier	4.01
Government MMF**–Select	3.90
Treasury Plus MMF**–Select	3.87
100% Treasury MMF**–Inst	3.78

Source: Allspring Funds

Figures quoted represent past performance, which is no guarantee of future results, and do not reflect taxes that a shareholder may pay on an investment in a fund. *Investment returns will fluctuate. The fund's yield figures more closely reflect the current earnings of the fund than the total return figures. Current performance may be lower or higher than the performance data quoted and assumes the reinvestment of dividends and capital gains. Current month-end performance is available at the fund's website, allspringglobal.com*

Money market funds are sold without a front-end sales charge or contingent deferred sales charge. Other fees and expenses apply to an investment in the fund and are described in the fund's current prospectus.

The manager has contractually committed to certain fee waivers and/or expense reimbursement through May 31, 2026, to cap the funds' total annual fund operating expenses after fee waivers. Brokerage commissions, stamp duty fees, interest, taxes, acquired fund fees and expenses (if any), and extraordinary expenses are excluded from the expense cap. The manager and/or its affiliates may also voluntarily waive all or a portion of any fees to which they are entitled and/or reimburse certain expenses as they may determine from time to time. Without these reductions, the seven-day current yield for the Select Class of the Government Money Market Fund and Treasury Plus Money Market Fund; the Institutional Class of the 100% Treasury Money Market Fund; and the Premier Class of the Money Market Fund would have been 3.90%, 3.85%, 3.75%, and 3.93%, respectively. Prior to or after the commitment expiration date, the cap may be increased or the commitment to maintain the cap may be terminated only with the approval of the Board of Trustees. The expense ratio paid by an investor is the net expense ratio (the total annual fund operating expenses after fee waivers) as stated in the prospectus.

To learn more

We want to help clients build for successful outcomes, defend portfolios against uncertainty, and create long-term financial well-being. To learn more, investment professionals can contact us.

Contact information:

- For retail clients, contact your financial advisor.
- To reach our intermediary sales professionals, contact your dedicated regional director, or call us at **1-866-701-2575**.
- To reach our institutional investment professionals, contact your existing client relations director, or contact us at **AllspringInstitutional@allspringglobal.com**.
- To reach our retirement professionals, contact your dedicated defined contribution investment only specialist, or call us at **1-800-368-1370**.
- To discuss sustainable investing solutions, contact **Henrietta Pacquement**, head of Sustainability, and **Jamie Newton**, deputy head of Sustainability, at **henrietta.pacquement@allspringglobal.com** and **jamie.newton@allspringglobal.com**.

1. SOFR Fix data is provided by Bloomberg Finance L.P. and Allspring. The forward-looking measurements of the Fed's Secured Overnight Financing Rate (SOFR) are based on market expectations implied from leading derivatives markets. SOFR is an interest rate published daily by the Federal Reserve Bank of New York based on Treasury repurchase agreement transactions measuring the cost of overnight cash borrowing.

2. Weighted average maturity (WAM): An average of the effective maturities of all securities held in the portfolio, weighted by each security's percentage of total investments. The maturity of a portfolio security is the period remaining until the date on which the principal amount is unconditionally required to be paid, or in the case of a security called for redemption, the date on which the redemption payment is unconditionally required to be made. WAM calculations allow for the maturities of certain securities with demand features or periodic interest rate resets to be shortened. WAM is a way to measure a fund's sensitivity to potential interest rate changes. WAM is subject to change and may have changed since the date specified.

3. The Securities Industry and Financial Markets Association (SIFMA) Municipal Swap Index is a seven-day high-grade market index composed of tax-exempt variable-rate demand obligations with certain characteristics. The index is calculated and published by Bloomberg. The index is overseen by SIFMA's Municipal Swap Index Committee. You cannot invest directly in an index.

4. Variable Rate Demand Notes (VRDNs) are debt securities commonly held within certain mutual funds. Like all bonds, VRDN values fluctuate in response to the financial condition of individual issuers, general market and economic conditions, and changes in interest rates. Changes in market conditions and government policies may lead to periods of heightened volatility in the bond market and reduced liquidity for certain bonds. In general, when interest rates rise, bond values fall and investors may lose principal value. Interest rate changes can be sudden and unpredictable. In addition to credit and interest rate risk, VRDNs are subject to municipal securities risk.

5. A tender option bond (TOB) is a type of VRDN where a long-term bond is placed into a trust. Floating-rate securities are created from the trust.

**For retail money markets: You could lose money by investing in the Fund. Although the Fund seeks to preserve the value of your investment at $1.00 per share, it cannot guarantee it will do so. The Fund may impose a fee upon sale of your shares. An investment in the Fund is not bank account and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The Fund's sponsor is not required to reimburse the Fund for losses, and you should not expect that the sponsor will provide financial support to the Fund at any time, including during periods of market stress.*

***For government money markets: You could lose money by investing in the Fund. Although the Fund seeks to preserve the value of your investment at $1.00 per share, it cannot guarantee it will do so. An investment in the Fund is not a bank account and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The Fund's sponsor is not required to reimburse the Fund for losses, and you should not expect that the sponsor will provide financial support to the Fund at any time, including during periods of market stress.*

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Diversification does not ensure or guarantee better performance and cannot eliminate the risk of investment losses.

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