

Overview, Strategy, and Outlook

Allspring Money Market Funds

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FUND NAMES

100% Treasury Money Market Fund
(WOTXX) Institutional Class

Government Money Market Fund
(GVIXX) Institutional Class
(WFFXX) Select Class

Money Market Fund
(WMPXX) Premier Class

National Tax-Free Money Market Fund
(WFNXX) Premier Class

Treasury Plus Money Market Fund
(PISXX) Institutional Class
(WTLXX) Select Class

Sector views

U.S. government sector

March was marked by a renewed increase in macroeconomic uncertainty, driven primarily by geopolitical developments and their implications for inflation and monetary policy. Against this backdrop, short-term interest rates remained well anchored, and government money market instruments continued to offer compelling yields alongside strong liquidity characteristics.

At its March meeting, the Federal Reserve (Fed) left the federal funds target range unchanged at 3.50–3.75%, extending the pause that followed three quarter-point cuts late in 2025. Policymakers characterized the current stance as broadly neutral while emphasizing elevated uncertainty around the inflation outlook. The updated Summary of Economic Projections (SEP) continued to imply, at most, one rate cut later in 2026, though a growing number of participants projected no additional easing this year.

Market pricing evolved notably over the course of the month. Futures markets briefly began to assign meaningful probability to the possibility that the Fed's next policy move could be upward rather than downward, reflecting concerns that renewed price pressures could prove more persistent. While rate hikes are not the Fed's base case, this shift underscores the importance of incoming inflation and labor market data in shaping expectations.

Inflation dynamics took center stage again in March following a sharp rise in global energy prices linked to escalating tensions in the Middle East. Higher oil prices are expected to push headline inflation higher in the coming months and have complicated the Fed's confidence in a continued disinflationary trend. Core inflation forecasts for 2026 were revised modestly higher in the Fed's March projections, reflecting lingering pressure from wages and services. For cash investors, the implication is not immediate volatility in overnight rates but rather reinforced support for a "wait and see" policy environment. In this context, short-dated government securities continue to reflect policy rates efficiently, preserving attractive carry for money market portfolios.

Labor market data remain consistent with a gradual slowdown rather than an abrupt deterioration. The unemployment rate is hovering around 4.4%, broadly in line with the Fed's expectations. However, revised productivity data released in March showed a significant increase in unit labor costs late last year, pointing to continued upward pressure on wages despite more moderate hiring. This combination—moderating employment growth with still-elevated labor costs—has reinforced a cautious Fed posture and reduced the urgency for rate cuts in the near term.

U.S. Treasury bill markets remained orderly throughout March, supported by consistent demand from institutional investors and ongoing issuance concentrated in short maturities. The Treasury continues to rely heavily on bills as a financing tool, reflecting both large deficit needs and a preference for flexibility amid fiscal uncertainty. Recent auctions were well received, and front-end yields remained closely aligned with the target policy corridor. Elevated bill supply has enhanced portfolio flexibility and reinvestment opportunities for government and Treasury money market funds without pressuring liquidity conditions.



Usage of the Fed's overnight reverse repurchase (ON RRP) facility remains extremely low, with outstanding balances near zero levels. This marks a sharp contrast from earlier years and reflects a combination of reduced excess reserves and stronger private market alternatives, particularly Treasury bills. Low ON RRP utilization suggests that short-term funding markets are functioning efficiently, with limited excess cash seeking a policy backstop. For investors, this environment has helped keep overnight and term government yields firmly supported.

Looking ahead, we expect front-end rates to remain anchored by Fed policy, with yields primarily influenced by inflation data and geopolitical developments rather than near-term policy action. While uncertainty has increased, government and Treasury money markets continue to benefit from deep liquidity, ample supply, and a policy framework that supports stable short-term rates.

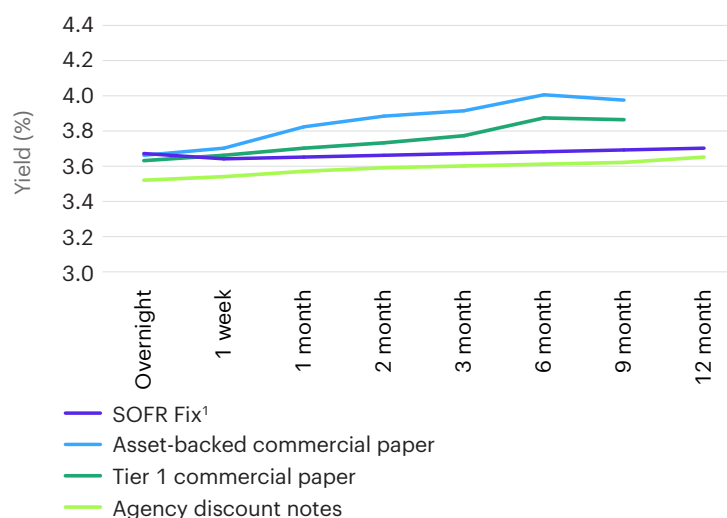
We remain focused on maintaining high levels of liquidity and capital preservation while positioning the portfolio to take advantage of prevailing short-term yield opportunities.

Prime sector

Uncertainty over the impacts of the conflict in the Middle East on global economic data has dominated market predictions on the pace of future moves by the Federal Open Market Committee (FOMC). Market expectations this month moved from fully pricing in two 25-basis-point (bp; 100 bps equal 1.00%) eases of the target federal funds rate in 2026 to no moves at all. There has been some discussion that if the spike in energy costs related to the war becomes persistent, it would result in prolonged inflation and may require a rate increase at some point. Even the FOMC admitted at its March meeting that predictive confidence in the release of the SEP was minimal. Of the SEP, Fed Chair Powell said the predictions are not locked in. Rather, they're opinions at a point in time that can change—sometimes quickly—based on events, and for this one, it's a better time than ever to take the forecast with a grain of salt. The median policy rate forecast remained unchanged at a 25-bp cut in 2026; however, seven members had no policy change expected this year. Focus has shifted from fiscal policy and tariff changes to almost a laser focus on geopolitics. How those changes affect economic data and in turn how the FOMC responds to maintain its dual mandate remain to be seen.

Total commercial paper outstandings (seasonally adjusted) increased in December by \$60 billion and increased again in January and February by \$40 billion and \$25 billion, respectively, but decreased by \$43 billion in March as uncertainties mount. Issuance has slowed and credit yield curves remain positively sloped; credit metrics in the prime space continued to be well supported by favorable market liquidity. Bank capital requirements are stable, while liquidity and interest coverage ratios remain solid. The combination of market liquidity, well-supported credit metrics, and higher yields has made money markets an attractive asset class.

MONEY MARKET YIELD CURVES



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

With the FOMC still expected to be in an easing cycle, albeit at a much slower pace, 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 to capture above-target yields in an environment that is skewed toward the FOMC delivering future rate decreases.

Municipal sector

The municipal money market sector remained largely insulated from broader market volatility following the outbreak of conflict in the Middle East. During March, the Securities Industry and Financial Markets Association² (SIFMA) Index averaged 2.17% (59% of fed effective), modestly lower than the February average of 2.22% (61% of fed effective). Overall, SIFMA exhibited notable stability, resetting within a narrow range to close out the month.

Further out the curve, yields on high-grade commercial paper and notes increased by approximately 10 bps as market participants began to reassess the likelihood of FOMC rate cuts. This repricing reflected rising inflation expectations driven by supply-chain disruptions affecting energy and other key commodities. Yields on one-year high-grade notes rose to approximately 2.39%, compared with 2.29% in the prior month.



During the month, we maintained a disciplined and selective approach to fixed-rate investments further out the curve, reflecting our view that the FOMC will likely await greater clarity on the economic implications of the Iran conflict and its impact on the Fed’s dual mandate. As we move into a seasonally weaker period for municipals, we expect SIFMA to remain elevated and anticipate more attractive entry points for longer-dated fixed-rate investments, given a municipal issuance calendar that is expected to remain robust. Additionally, we continue to prioritize principal stability and liquidity by maintaining high exposure to variable-rate demand notes³ (VRDNs) and tender option bonds⁴ (TOBs).

On the horizon

Uncertainty regarding the duration and outcome of the conflict with Iran is making it difficult to predict the economic trajectory and future policy actions by the FOMC. The disruption in oil supply and to other goods moving through the Strait of Hormuz has yet to be resolved. The shock to energy prices is first inflationary, but if higher input costs remain even after a resolution is reached, the play between fighting inflation versus the knock-on effects that higher prices will have to slow demand and activity comes into play. It is possible the Fed will be on indefinite hold. We will, of course, closely monitor developments.

RATES FOR SAMPLE INVESTMENT INSTRUMENTS—CURRENT MONTH-END % (MARCH 2026)

Sector	1 day	1 week	1 month	2 month	3 month	6 month	12 month
U.S. Treasury repos	3.66	3.67	–	–	–	–	–
Fed reverse repo rate	3.50	–	–	–	–	–	–
U.S. Treasury bills	–	–	3.62	3.63	3.63	3.61	3.63
Agency discount notes	3.53	3.55	3.58	3.60	3.61	3.62	3.66
SOFR	3.68	–	3.66	–	3.68	3.69	3.71
Asset-backed commercial paper	3.67	3.71	3.83	3.89	3.92	4.01	–
Dealer commercial paper	3.64	3.67	3.71	3.74	3.78	3.88	–
Municipals	2.79	2.42	2.28	2.29	2.30	2.33	2.39

Fund	7-day current yield (%)
Money Market Fund*–Premier	3.69
National Tax-Free*–Premier	2.42
Government MMF**–Select	3.60
Treasury Plus MMF**–Select	3.60
100% Treasury MMF**–Inst	3.51

Source: Allspring Funds

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

Past performance is no guarantee of future results.

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. Yields will fluctuate. 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 funds’ 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 and the National Tax-Free Fund would have been 3.57%, 3.57%, 3.49%, 3.61%, and 2.37% 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.



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:



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. 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.
3. 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.
4. 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 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.

The views expressed and any forward-looking statements are as of March 31, 2026, and are those of the fund managers and the Money Market team at Allspring Global Investments, LLC, subadvisor to the Allspring Money Market Funds, and Allspring Funds Management, LLC. Discussions of individual securities or the markets generally are not intended as individual recommendations. Future events or results may vary significantly from those expressed in any forward-looking statements. The views expressed are subject to change at any time in response to changing circumstances in the market. Allspring Global Investments disclaims any obligation to publicly update or revise any views expressed or forward-looking statements.

Carefully consider a fund's investment objectives, risks, charges, and expenses before investing. For a current prospectus and, if available, a summary prospectus, containing this and other information, visit allspringglobal.com. Read it carefully before investing.

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