

Allspring Municipal Bond Fund

GENERAL FUND INFORMATION

Ticker: WMBIX

Portfolio managers:
Robert Miller;
Terry Goode;
and Nicholas Venditti, CFA®

Subadvisor: Allspring Global
Investments, LLC

Category: Muni national long

FUND STRATEGY

- Uses both bottom-up credit research and top-down macroeconomic analysis
- Seeks to generate excess performance by actively managing the four key elements of total return: duration, yield-curve positioning, sector and credit-quality allocation, and security selection
- Uses a relative-value approach based on extensive credit analysis that seeks opportunities from changing market trends and pricing inefficiencies to generate excess returns

Quarterly review

- The fund underperformed its benchmark, the Bloomberg Municipal Bond Index, for the three-month period that ended March 31, 2025.
- Credit was the largest contributor to performance, while duration and selection detracted.

Market review

Municipal returns were negative for the first quarter and underperformed taxable fixed income, with the Bloomberg Municipal Bond Index returning -0.22%, Treasuries returning 2.92%, corporates returning 2.31%, and the Bloomberg U.S. Aggregate Bond Index returning 2.78%. Within municipal credit tiers, high yield bonds performed best (0.82%) while high-grade AAA-rated were the weakest (-0.34%). The yield on the U.S. Treasury 10-year note ended the quarter at 4.23%, down 35 basis points (bps; 100 bps equal 1.00%) from the end of the fourth quarter of 2024. U.S. equity returns were negative for the quarter.

Municipal to Treasury ratios increased during the month but remain somewhat rich to historical standards. Municipal 2-/5-/10-year ratios of 69%, 72%, and 77%, respectively, are rich but still transactable for those in higher tax brackets. The 30-year ratio of 92% remains the cheapest portion of the tax-exempt market relative to taxable fixed income. Ratios aside, today's absolute yields present a better entry point to the muni market when compared with 2021.

Net inflows were \$9.7 billion for the quarter and gross issuance was approximately \$119 billion (a 20% quarter-over-quarter increase), with tax-exempt issuance of \$112 billion (a 19% quarter-over-quarter increase).

The Federal Open Market Committee held its benchmark interest rate steady at 4.25–4.50% at the March 2025 meeting, consistent with market expectations. The municipal benchmark curve moved upward and continued to steepen, with rates in the front end of the curve rising 7–15 bps, rates in the 10- to 15-year part of the curve rising by as much as 42 bps, and rates on the long end of the curve rising by about 30 bps. We feel the potential for uncertainty remains, and this environment presents a strong case for municipal bonds as an income-rich alternative to protect against volatility.

AVERAGE ANNUAL TOTAL RETURNS (%) AS OF 3/31/2025*

	3 MONTH	YEAR TO DATE	1 YEAR	3 YEAR	5 YEAR	10 YEAR	SINCE FUND INCEPTION (10/23/86)^
Municipal Bond Fund-Inst	-0.49	-0.49	1.64	1.64	1.38	2.40	4.89
Bloomberg Municipal Bond Index	-0.22	-0.22	1.22	1.53	1.07	2.13	—
Lipper General & Insured Municipal Debt Funds Average	-0.45	-0.45	1.61	1.14	1.12	1.92	—

*Returns for periods less than one year are not annualized.

Figures quoted represent past performance, which is no guarantee of future results, and do not reflect taxes a shareholder may pay on an investment in a fund. Investment return, principal value, and yields of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. 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. Institutional Class shares are sold without a front-end sales charge or contingent deferred sales charge.

The fund's gross expense ratio is 0.43%. The fund's net expense ratio is 0.43%. The manager has contractually committed, through October 31, 2025, to waive fees and/or reimburse expenses to the extent necessary to cap the fund's total annual fund operating expenses after fee waivers at 0.45% for the Institutional Class. Brokerage commissions, stamp duty fees, interest, taxes, acquired fund fees and expenses (if any), and extraordinary expenses are excluded from the expense cap. 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. Without this cap, the fund's returns would have been lower. 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.



Allspring Municipal Bond Fund

PORTFOLIO POSITIONING

PORTFOLIO ATTRIBUTION* AND STRATEGY

Duration—detractor

- The fund was long duration to the benchmark during the period, which detracted as the market sold off.
- Municipal bond returns were negative for the quarter, though overall, municipals should perform well and benefit from a strong technical environment characterized by solid demand and issuance for the remainder of the year. Although flows were negative for March, municipals are generally off to a good start in 2025 with nearly \$10 billion in net flows. We are bullish on the municipal space, but with recent volatility, we are trending closer to neutral on duration. With only 18 bps between the current 20-year and 30-year municipal market data yield curve, we continue to be cognizant of the shape of the yield curve and are adding duration thoughtfully, targeting the most attractive spots on the curve.

Yield curve—detractor

- Price returns were negative across all maturity segments for the benchmark, and income from longer-dated bonds was not enough to offset the price declines, resulting in negative total returns for bonds dated 12 years and longer.
- Our underweight to bonds inside of 12 years and overweight to 17-year-plus maturities detracted as shorter-dated bonds outperformed.
- The municipal yield curve steepened during the first quarter, and we remain attentive to pockets of weakness or opportunity that may arise. Yields in the intermediate part of the curve rose by as much as 40 bps during the quarter, while yields on the long end rose by about 30 bps. With the compression between the 20-year and 30-year municipal market data yield curve, it is less attractive for investors to add extremely long-dated exposure. In our minds, the risk/reward trade-off strongly favors taking a more measured approach to curve allocations.

Quality—contributor

- Within investment-grade credit (AAA to BBB), lower investment-grade bonds outperformed. Consequently, our overweight to lower investment-grade bonds (A and BBB) and underweight to high grades was a positive contributor to performance.

- Credit spreads have tightened, with the current spread between AAA and high yield credits near the tightest levels over the past two years, making credit relatively more expensive. Although spreads are tight, absolute yields remain much higher than pre-2021 levels. Looking forward, we believe credit fundamentals are well supported by the economy, but the possibility of credit spread widening remains ever present. There are opportunities for more risk-taking investors to explore the high yield space, but the importance of security selection is even more critical in that segment of the market.

Sector—neutral

- We continue to be underweight general obligation (GO) bonds and overweight revenue bonds. Controlling for duration, curve, and quality allocation, contributors to relative performance included an overweight allocation to the industrial development revenue/pollution control revenue (IDR/PCR) and transportation sectors as well as underweight allocations to the electric, education, and leasing sectors. Detractors included underweights to state GOs and housing and overweight allocations to the hospital, water and sewer, and special tax sectors.
- In times of economic uncertainty, GO bonds with higher income/sales tax receipts and demand for essential services provided by municipalities are generally more defensive than discretionary sectors. We remain attentive to these areas while also taking advantage of price dislocations that present themselves in higher-beta revenue sectors. These factors highlight the need of an experienced team and institutional bandwidth to navigate an ever-changing market.

Issue selection—detractor

- Controlling for duration, curve, quality, and sector allocation effects, security selection was negative for the quarter. Relative to the benchmark, the largest contribution effects were seen in the special tax, resource recovery, education, and leasing sectors. Selection within the IDR/PCR and transportation sectors was negative.
- The volatility we have witnessed in the first three months of the year is a reminder to bond investors that municipals are credit products and not just a rates asset class. Security selection remains ever important as certain credits may diverge from the general market due to forced selling, lack of liquidity, and structure factors. These inefficiencies may lead to atypical execution and can generate strong risk-adjusted returns for liquidity providers. Prudent liquidity management has been a hallmark of our investment process and allows us to take advantage of ongoing market dislocations while identifying attractive relative values.

*Performance attribution is discussed gross of expenses. The gross-of-expenses performance attribution does not reflect the deduction of the fund's expenses as shown in the prospectus.



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PORTFOLIO CHARACTERISTICS

	ALLSPRING MUNICIPAL BOND FUND	BLOOMBERG MUNICIPAL BOND INDEX
Avg. eff. duration	7.87	7.34
Avg. maturity (yrs.) ¹	16.44	11.06
AMT ²	13.96%	—
30-day SEC yield	3.77%	—

CREDIT-QUALITY ALLOCATION (%)³

	FUND	BLOOMBERG MUNICIPAL BOND INDEX
AAA/Aaa	6.92	17.20
AA/Aa	46.50	54.46
A/A	29.73	22.73
BBB/Baa	12.33	5.61
BB/Ba	1.64	0.00
Not rated	2.76	0.00
Cash & equivalents	0.11	0.00

SECTOR ALLOCATION (%)

	FUND	BLOOMBERG MUNICIPAL BOND INDEX
GO bonds	17.03	27.00
Prerefunded bonds	0.16	1.24
Revenue bonds	82.81	71.76

1. Weighted average effective maturity. 2. Percent of net assets in AMT bonds. 3. The ratings indicated are from Standard & Poor's, Fitch Ratings, and/or Moody's Investors Service. The percentages of the fund's portfolio with the ratings depicted in the chart are calculated based on the total investments of the fund. If a security was rated by all three rating agencies, the median rating was used. If a security was rated by two of the three rating agencies, the lower rating was used. If a security was rated by one of the agencies, that rating was used.

Small differences in rounding may occur and percentages may not add up to 100%.

Portfolio characteristics, sector weights, and allocations are subject to change and may have changed since the date specified.

The fund's 30-day unsubsidized SEC yield is 3.77%.

FUND FACTS

Inception date	10/23/1986
Net expense ratio—Inst	0.43%
Assets—all share classes	\$7.85B

RANKINGS AND RATINGS

Morningstar total return rankings—Institutional Class (as of 3/31/2025)

MORNINGSTAR CATEGORY	MUNI NATIONAL LONG
1 year	70 out of 167
3 year	26 out of 165
5 year	53 out of 156
10 year	21 out of 114

Overall Morningstar Rating™ ★★★★★

The Overall Morningstar Rating, a weighted average of the 3-, 5-, and 10-year (if applicable) ratings, is out of 165 funds in the Muni national long category, based on risk-adjusted returns as of 3/31/2025.

SHARE CLASS AVAILABILITY

SHARE CLASS	TICKER	GROSS EXPENSE RATIO (%)	NET EXPENSE RATIO (%)	CONTRACTUAL EXPENSE RATIO WAIVER DATE
A	WMFAX	0.75	0.75	10/31/2025
C	WMFCX	1.50	1.50	10/31/2025
Admin	WMFDX	0.70	0.60	10/31/2025
Inst	WMBIX	0.43	0.43	10/31/2025
R6	WMBRX	0.38	0.38	10/31/2025

The manager has contractually committed to waive fees and/or reimburse expenses to the extent necessary to cap the fund's total annual fund operating expenses after fee waivers at 0.75% (A), 1.50% (C), 0.60% (Admin), 0.45% (Inst), and 0.40% (R6). Brokerage commissions, stamp duty fees, interest, taxes, acquired fund fees and expenses (if any), and extraordinary expenses are excluded from the expense cap. 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. Without this cap, the fund's returns would have been lower. 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.



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BENCHMARK DESCRIPTIONS:

The Bloomberg Municipal Bond Index is an unmanaged index composed of long-term tax-exempt bonds with a minimum credit rating of Baa. You cannot invest directly in an index.

The Lipper averages are compiled by Lipper, Inc., an independent mutual fund research and rating service. Each Lipper average represents a universe of funds that are similar in investment objective. You cannot invest directly in a Lipper average.

The Bloomberg U.S. Aggregate Bond Index is a broad-based benchmark that measures the investment-grade, U.S.-dollar-denominated, fixed-rate taxable bond market, including Treasuries, government-related and corporate securities, mortgage-backed securities (agency fixed-rate and hybrid adjustable-rate mortgage pass-throughs), asset-backed securities, and commercial mortgage-backed securities. You cannot invest directly in an index.

DEFINITION OF TERMS:

30-day SEC yield: The 30-day SEC yield is calculated with a standardized formula mandated by the SEC. The formula is based on maximum offering price per share and includes the effect of any fee waivers. Without waivers, yields would be reduced. The 30-day unsubsidized SEC yield does not reflect waivers in effect. A fund's actual distribution rate will differ from the SEC yield, and any income distributions from the fund may be higher or lower than the SEC yield.

Average maturity: The average maturity represents the weighted average time to maturity of all the debt securities held in the portfolio. A relatively short average maturity results in smaller price fluctuations in response to changes in market rates of interest. A short average maturity subjects the owner of a debt portfolio to the risk that maturing debt will be replaced with debt carrying a lower interest rate. Average maturity is an important consideration for investors who hold bond and money market funds.

Alpha: measures the difference between a fund's actual returns and its expected performance given its level of risk (as measured by beta).

Beta: measures fund volatility relative to general market movements. It is a standardized measure of systematic risk in comparison with a specified index. The benchmark beta is 1.00 by definition.

Credit-quality ratings: Credit-quality ratings apply to underlying holdings of the fund and not the fund itself. Standard & Poor's and Fitch rate the creditworthiness of bonds from AAA (highest) to D (lowest). Standard & Poor's rates the creditworthiness of short-term notes from SP-1 (highest) to SP-3 (lowest). Ratings from A to CCC may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the rating categories. Moody's rates the creditworthiness of bonds from Aaa (highest) to CC (lowest). Ratings Aa to B may be modified by the addition of a number 1 (highest) to 3 (lowest) to show relative standing within the ratings categories. Moody's rates the creditworthiness of short-term U.S. tax-exempt municipal securities from MIG-1/VMIG-1 (highest) to SG (lowest). Credit quality and credit-quality ratings are subject to change.

Duration: Duration is a measurement of the sensitivity of a bond's price to changes in Treasury yields. A fund's duration is the weighted average of duration of the bonds in the portfolio. Duration should be interpreted as the approximate change in a bond's (or fund's) price for a 100-basis-point change in Treasury yields. Duration is based on historical performance and does not represent future results.

Yield curve: The yield curve is a graphical representation of fixed-income security yields (usually U.S. Treasuries) at their respective maturities, starting with the shortest time to maturity and sequentially plotting in a line chart to the longest maturity. The yield curve is based on historical performance and does not represent future results.



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Risks: All investing involves risk, including the possible loss of principal. Bond 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 held by the fund. In general, when interest rates rise, bond values fall and investors may lose principal value. Interest rate changes and their impact on the fund and its share price can be sudden and unpredictable. Municipal securities risk includes the ability of the issuer to repay the obligation, the possibility of future tax and legislative changes and other factors, that may adversely impact the liquidity and value of the municipal securities in which the fund invests. A portion of the fund's income may be subject to federal, state, and/or local income taxes or the alternative minimum tax. Any capital gains distributions may be taxable. Consult the fund's prospectus for additional information on these and other risks. This fund is exposed to high-yield securities risk and municipal securities risk.

The Morningstar Rating for funds, or star rating, is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar risk-adjusted return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The Morningstar Rating does not include any adjustment for sales loads. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its 3-, 5-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% 3-year rating for 36–59 months of total returns, 60% 5-year rating/40% 3-year rating for 60–119 months of total returns, and 50% 10-year rating/30% 5-year rating/20% 3-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent 3-year period actually has the greatest impact because it is included in all three rating periods.

Across U.S.-domiciled muni national long funds, the Municipal Bond Fund received 4 stars among 165 funds, 4 stars among 156 funds, and 4 stars among 114 funds for the 3-, 5-, and 10-year periods, respectively. The Morningstar Rating is for the Institutional Class only; other classes may have different performance characteristics.

The Morningstar absolute ranking is based on the fund's total return rank relative to all funds that have the same category for the same time period. Morningstar rankings do not include the effect of sales charges. **Past performance is no guarantee of future results.**

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^aThe inception date of the Institutional Class was March 31, 2008. Performance shown prior to the inception of Institutional Class reflects the performance of the Investor Class shares, which inceptioned on October 26, 1986, and includes expenses that are not applicable to and higher than those of the Institutional Class shares.

The views expressed and any forward-looking statements are as of March 31, 2025, and are those of the fund managers and/or Allspring Global Investments. 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 any 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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