

# Product Alert



May 30, 2025

## Allspring to Merge Two Ultra Short Duration Fixed Income Funds

The Allspring Funds Board of Trustees has approved the merger of the Allspring Adjustable Rate Government Fund into the Allspring Ultra Short-Term Income Fund. The merger is expected to take place at the close of business on or around July 25, 2025.

MERGING ALLSPRING FUND			ACQUIRING ALLSPRING FUND <sup>1</sup>		
	Class	Ticker		Class	Ticker
Adjustable Rate Government Fund	Admin	ESADX	Ultra Short-Term Income Fund	Inst	SADIX
	Inst	EKIZX		Inst	SADIX
	A	ESAAX		A	SADAX
	C	ESACX		C	WUSTX

Note that the Administrator Class of the Adjustable Rate Government Fund will merge into the Institutional Class of the Ultra Short-Term Income Fund.

For further information, please review the Q&A below.

### What are some key benefits of the proposed fund merger?

Shareholders of the Adjustable Rate Government Fund will benefit from a significant increase in fund scale, as the Ultra Short-Term Income Fund has a much larger asset base (\$1.2 billion versus \$182 million)<sup>2</sup> with the potential for greater long-term viability. Adjustable Rate Government Fund shareholders will benefit from lowered expenses, as shown in the table below.

Allspring Fund	Share Class			
	A	C	Admin	Inst
Adjustable Rate Government Fund gross operating expense ratios (%)	0.89	1.64	0.84	0.57
Adjustable Rate Government Fund net operating expense ratios (through 12/31/2025) (%)	0.74	1.49	0.60	0.46
Ultra Short-Term Income Fund gross operating expense ratios (%)	0.69	1.44	0.64	0.37
Ultra Short-Term Income Fund net operating expense ratios (through 12/31/2026) (%)	0.51	1.26	0.51	0.26

*The manager has contractually committed, through the date indicated in the table, 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 0.74% for Class A, 1.49% for Class C, 0.60% for Administrator Class and 0.46% for Institutional Class for Adjustable Rate Government Fund and 0.50% for Class A, 1.25% for Class C, 0.50% for Administrator Class and 0.25% for Institutional Class for Ultra Short-Term Income Fund. 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.*

**What are some key similarities and differences between the merging fund and the acquiring fund?**

Both funds are managed by the Plus Fixed Income Team, led by Janet Rilling. Both are in the same Morningstar and Lipper categories.

While the Adjustable Rate Government Fund focuses on investments in mortgage-backed and asset-backed securities issued or guaranteed by U.S. Government agencies or government-sponsored entities, the Ultra Short-Term Income Fund invests in a broader range of fixed income sectors and across a wider range of credit qualities.

**Will the merger be a taxable event for shareholders?**

No. The merger is expected to be a tax-free reorganization for U.S. federal income tax purposes. However, to prevent adverse tax consequences for shareholders, the merging fund may make a distribution of income and/or capital gains in advance of the merger. Clients are encouraged to consult their tax advisors about how this may affect them.

**Can investors still transact in the merging and acquiring funds prior to the merger?**

Yes.

**Do these changes require shareholder approval?**

No. Additional information, including a description of the merger and information about fees, expenses, and risk factors, will be provided in a prospectus/information statement that is expected to be mailed to shareholders in July 2025.

**ABOUT PLUS FIXED INCOME**

The Plus Fixed Income team at Allspring Global Investments manages \$38.9 billion<sup>3</sup> in assets across 20 strategies. The 19-member investment team is led by Senior Portfolio Manager Janet Rilling, CFA. The team delivers dynamic portfolios for clients by combining global fixed income sector expertise with a nimble approach to help drive enhanced outcomes. They employ a sector specialist model whereby tenured investment professionals are supported by rigorous credit research to source opportunities across global fixed income markets.

**ABOUT ALLSPRING**

Allspring Global Investments™ is an independent asset management firm with more than \$600 billion in assets under advisement<sup>3</sup>, over 20 offices globally, and investment teams supported by 390+ 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. For more information, please visit [www.allspringglobal.com](http://www.allspringglobal.com).

1) The Acquiring Fund also offers Administrator Class and Class A2 shares which are not involved in the merger.

2) As of April 30, 2025

3) As of March 31, 2025. Figures include discretionary and non-discretionary assets.

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

*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, call 1-800-222-8222 or visit [allspringglobal.com](http://allspringglobal.com). Read it carefully before investing.*

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. Mortgage- and asset-backed securities may decline in value and



become less liquid when defaults on the underlying mortgages or asset occur and may become volatile in periods of rising interest rates. Securities issued by U.S. government agencies or government-sponsored entities may not be guaranteed by the U.S. Treasury. Consult the fund's prospectus for additional information on these and other risks.

© 2025 Morningstar. All rights reserved. The information contained herein is proprietary to Morningstar and/or its content providers; may not be copied or distributed; and is not warranted to be accurate, complete, or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results.

The Lipper averages are compiled by Lipper, Inc., and 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.

Allspring Global Investments™ 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, LLC, and Allspring Funds Management, LLC. Certain products managed by Allspring entities are distributed by Allspring Funds Distributor, LLC (a broker-dealer and Member FINRA/SIPC).

Allspring Global Investments does not provide accounting, legal, or tax advice or investment recommendations.

This material is for general informational and educational purposes only and is NOT intended to provide investment advice or a recommendation of any kind—including a recommendation for any specific investment, strategy, or plan.

ALL-05282025-8ft1oovf

© 2025 Allspring Global Investments Holdings, LLC. All rights reserved.