Overview, Strategy, and Outlook

Allspring Money Market Funds

CONTRIBUTING AUTHORS

Jeffrey L. Weaver
Head of Global Liquidity Solutions
628-266-1214
jeff.weaver@allspringglobal.com

Michael C. Bird
Senior Portfolio Manager,
Taxable Money Funds
612-351-0675
michael.c.bird@allspringglobal.com

James C. Randazzo
Senior Portfolio Manager,
Municipal Money Markets
704-533-8784
jrandazzo@allspringglobal.com

Madeleine M. Gish
Senior Portfolio Manager,
Taxable Money Funds
628-266-1054
madeleine.gish@allspringglobal.com

John R. Kelly
Senior Portfolio Manager,
Taxable Money Funds
612-474-3075
kellyjr@allspringglobal.com

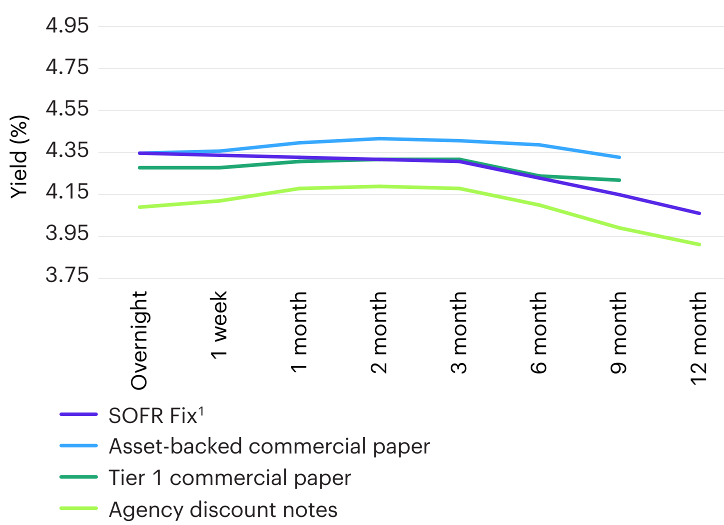
Daniel J. Tronstad
Senior Portfolio Manager,
Taxable Money Funds
612-895-1827
daniel.j.tronstad@allspringglobal.com

Sector views

Prime sector

As expected, the U.S. Federal Open Market Committee (FOMC) left overnight target rates unchanged at 4.25–4.50% at the conclusion of their meeting on March 19. The committee published their Statement of Economic Projections, also known as the dot plot, this month as well. The dots show most committee members expect further rate cuts this year, the majority of which say two moves to end 2025 with a target of 3.75–4.00%. Most also expect another two moves in 2026, ending at 3.25–3.50%. The estimate for core inflation was raised to 2.8% while the estimate for growth was reduced slightly to 1.7%. The stickiness of inflation led eight officials to say they expect zero or one cut this year, which was up from four officials in the December survey. The dots were interpreted as slightly hawkish, but subsequent narrative in the press conference was interpreted as dovish. Chair Powell said they are well positioned to wait for greater clarity and that the Federal Reserve (Fed) doesn't need to be in a hurry to adjust policy stance (also decently hawkish). Among the themes emerging from the meeting were slower growth ahead (as recent indicators have pointed to moderation on consumer spending), that the labor market wasn't a source of significant inflationary pressure, and that near-term policy-driven inflation may prove to be "transitory," a word we thought they might not ever utter again. The bond market rallied with the press conference, as yields on the two-year Treasury note fell 7 basis points (bps; 100 bps equal 1.00%), closing at 3.97%. Money market yields fell similarly with fixed rates at or inverted to the overnight target range.

MONEY MARKET YIELD CURVES



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

With the FOMC still in an easing cycle, even if the pace has slowed, 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 capture above target yields in an environment that's skewed toward the FOMC delivering future rate decreases.

U.S. government sector

In an encore performance from the prior month, the Fed and markets are in wait-and-see mode, looking first for a good understanding of the fiscal policies that will be implemented and then for how the economy will respond. In the meantime, the economy continues to chug along but with hints of wobbles. Decision-makers across the spectrum—from those at the largest companies down to those at their kitchen tables—are operating in a fog, unsure of the trajectory of prices and concerned about the stability of government services and benefits. While that uncertainty may lead to economic softness that may or may not prove to be transitory, the Fed sounds as though it may be loath to take preemptive steps, as the optics of cutting interest rates in front of tariff-driven inflation—which also may or may not prove to be transitory—would be difficult to explain. To summarize, the economy continues to grow moderately, the labor market has been fine, inflation is stuck above target, tariffs and other fiscal changes are coming, and the Fed wants to see how the economy responds before moving interest rates.

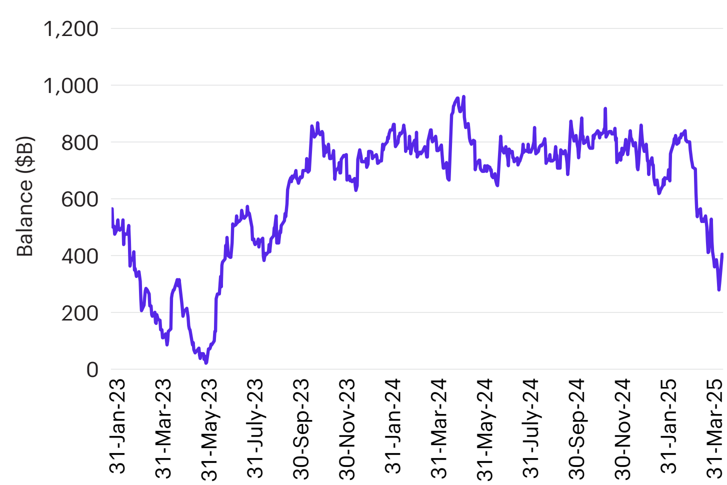
While we all wait, the potential disruption of the debt ceiling marches closer each day. The limit was reestablished on January 1, and the Treasury has been employing its usual array of extraordinary measures to continue to fund the government. It has reduced Treasury bill (T-bill) auction sizes, and its cash balance has declined as well, which should continue until mid-April when tax receipts should bolster it. The Treasury holds its cash in the Treasury General Account (TGA), the balance of which fell to $281 billion near the end of this month, down from $842 billion in mid-February and the lowest since the last debt ceiling dispute in mid-2023, as shown in the updated chart below. Eventually, later in the summer, concern about the government's ability to meet its obligations may grow as we get closer to the "x-date," the date on which the government runs out of cash and borrowing ability.

That timing was highlighted by reports published late in March by two independent entities. First, the Bipartisan Policy Center said that it "...currently projects that the X Date will most likely fall between mid-July and early October." A few days later the Congressional Budget Office (CBO) estimated that "...the government's ability to borrow using extraordinary measures will probably be exhausted in August or September 2025." The CBO did warn that even its already broad estimate has wide error bars as April tax collections will determine where the x-date lands. The CBO said: "If the government's borrowing needs are significantly greater than CBO projects, the Treasury's resources could be exhausted in late May or sometime in June, before tax payments due in mid-June are received or before additional extraordinary measures become available on June 30. Conversely, if borrowing needs fall short of the amounts in the CBO's projections, the extraordinary measures will permit the Treasury to continue financing government activities longer than expected."

A few of the uncertainties surrounding cash receipts this year are signs of the times. For example, new tariff collections could add to the TGA, pushing the x-date back. On the other hand, concerns have developed that draconian staffing cuts at the IRS may encourage some taxpayers to pay less than they might otherwise would have had their fear of an audit been greater. While the cat's away....

While we count pennies with an eye on the calendar, it's worth remembering that the U.S. House, Senate, and ever-more-powerful executive branch are all in the hands of the same party, and that suggests at least a somewhat greater likelihood of this whole thing getting resolved long before the x-date.

TREASURY GENERAL ACCOUNT



Source: Bloomberg Finance L.P.

Municipal sector

Yields in the municipal money market space rose across the board as increased supply and quarter-end pressures allowed tax-exempt to taxable ratios to normalize. The Securities Industry and Financial Markets Association (SIFMA) Index[3] closed out the month at 2.87% (66% of Fed Effective), up from 1.86% (43% of Fed Effective) at the end of February. Yields on variable rate demand notes (VRDNs)[4] and tender option bonds (TOBs)[5] in the overnight and weekly sectors continue to experience volatility on a weekly basis. Further out on the curve, yields on high-grade notes in the one-year area rose to 2.88%, up from 2.74%.

During the month we continued to remain selective in our fixed-rate purchases as the FOMC has indicated they will remain patient with respect to monetary policy in the face of uncertainty surrounding the Trump administration's trade and tariffs policies. Accordingly, we continue to carefully manage our weighted average maturity as we wait for further clarity on major macroeconomic conditions as we head deeper into 2025.

On the horizon

Details around the U.S. tariff plans are set to be announced on April 2, and it's fair to say the financial markets are tired of waiting. They can't decide whether to be more worried about the stagnation or inflation that may result (at the end of March stagnation was winning the worry war), but most of all they just want clarity. The way things have gone, with the ever-present possibility of exceptions being granted at any time, they may not get the certainty they're looking for, but even a little may help. However it plays out, we plan to keep basic principles top of mind, locking in some fixed-rate investments with the Fed planning to eventually resume rate cuts while remembering that safety and liquidity are paramount considerations for money market fund investors.

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

Sector	1 day	1 week	1 month	2 month	3 month	6 month	12 month
U.S. Treasury repos	4.35	4.34	–	–	–	–	–
Fed reverse repo rate	4.25	–	–	–	–	–	–
U.S. Treasury bills	–	–	4.24	4.25	4.24	4.16	4.01
Agency discount notes	4.08	4.11	4.17	4.18	4.17	4.09	3.90
LIBOR	4.34	–	4.32	–	4.30	4.22	–
Asset-backed commercial paper	4.34	4.35	4.39	4.41	4.40	4.38	–
Dealer commercial paper	4.27	4.27	4.30	4.31	4.31	4.23	–
Municipals	3.61	2.87	2.77	2.78	2.79	2.82	2.88

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	4.38
Government MMF**–Select	4.27
Treasury Plus MMF**–Select	4.26
100% Treasury MMF**–Inst	4.14

Source: Allspring Funds

The manager has contractually committed to certain fee waivers and/or expense reimbursement through May 31, 2025 (or through May 31, 2026, for Government Money Markey Fund Select Class), 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 4.24%, 4.22%, 4.12%, and 4.28%, 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.

***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.

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 the Allspring Money Market 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 market funds: 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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The views expressed and any forward-looking statements are as of March 31, 2025, 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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