

MARCH 31, 2024

Investment Strategy

The Payden Absolute Return Bond Fund's strategy seeks to have positive absolute returns over the long term, regardless of different market environments. To achieve this goal, the fund seeks to provide total return, whether through price appreciation, or income, or a combination of both. It seeks opportunities by employing a flexible approach that evaluates security attractiveness globally, both inside and outside the U.S. A special emphasis is placed on risk management seeking to mitigate potential downside.

Fund Highlights

- » Seeks to have positive absolute returns over the long term, regardless of different market environments.
- » Utilizes all sectors of the fixed-income market.
- » Portfolio is structured with relatively low interest rate sensitivity.
- » The fund may not achieve its goals if the economy weakens.

Performance^A

MONTHLY	YTD	1 YEAR	3 YEAR	5 YEAR	10 YEAR	SINCE INCEPTION (11-06-14)
PAYDEN ABSOLUTE RETURN BOND FUND	2.39%	6.07%	2.12%	2.56%	-	2.54%
BLOOMBERG US TREASURY BILLS 1-MONTH INDEX	0.93%	3.67%	1.79%	1.34%	-	0.96%

Calendar-Year Returns

2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
6.22%	-2.74%	1.13%	2.81%	5.52%	0.95%	3.40%	3.81%	0.93%	-0.20%

FUND DESCRIPTION

CLASS:	Investor
FUND INCEPTION:	Nov 06, 2014
TICKER:	PYARX
CUSIP:	70432T107
TOTAL NET ASSETS:	\$721.7 Million
INVESTMENT MINIMUM: ^B	\$100,000
IRA MINIMUM: ^B	\$100,000
DIVIDENDS PAID:	Monthly
DIVIDENDS (LAST 12 MOS):	\$0.486

FUND STATISTICS

EFFECTIVE DURATION: ^C	0.8 Years
AVERAGE MATURITY:	3.5 Years
30-DAY SEC YIELD:	4.79%
30-DAY SEC YIELD: (UNSUBSIDIZED)	4.69%

EXPENSES

TOTAL FUND OPERATING EXPENSES:	0.76% ^D
WITH EXPENSE CAP:	0.70%

PORTFOLIO MANAGEMENT

	Years of Experience
Brian W. Matthews, CFA	41
Michael E. Salvay, CFA	40
Kristin J. Ceva, PhD, CFA	35
Nigel Jenkins, ASIP	35
Eric J. Souders, CFA	18

Quoted performance data represent past performance, which does not guarantee future results. Investment returns and principal value will fluctuate, so investors' shares, when sold, may be worth more or less than their original cost. For the most recent month-end performance, which may be higher or lower than that quoted, visit our website at payden.com or call 800 572-9336.

Role In Portfolio

Absolute Return – appropriate for investors seeking steady returns, limited downside and reduced correlations with traditional asset classes. Not intended to outperform stocks and bonds during strong market rallies.

Investment Manager

Payden & Rygel is one of the largest privately-owned global investment firms. Founded in Los Angeles in 1983, we have served the needs of institutional and individual investors for over 40 years. We offer a wide array of investment strategies and vehicles, including fixed-income, equity, and balanced portfolios, which can be accessed through separately managed accounts as well as comingled funds. We are committed to providing investment solutions focused on each client's specific needs and objectives.

Headquarters: Los Angeles

Founded: 1983

Assets Under Management: \$162 billion
(as of 03/31/24)

Payden Funds

FOOTNOTES

^A Returns less than one year are not annualized. ^B The minimum initial investment may be modified for certain financial intermediaries that submit trades on behalf of underlying investors. Payden Fund's distributor may lower or waive the minimum initial investment for certain categories of investors at their discretion. ^C Effective duration is a measure of the Fund's price sensitivity to changes in interest rates. ^D Payden & Rygel has contractually agreed to limit Total Annual Fund Operating Expenses After Fee Waiver or Expense Reimbursement to 0.70%. This agreement has a one-year term ending February 28, 2025. Please note that the 0.70% expense level does not include Acquired Fund Fees and Expenses, interest, taxes, and extraordinary expenses. ^E Ratings are measured on a scale that generally ranges from AAA (highest) to D (lowest) and are subject to change. Security ratings are assigned using the highest rating of Moody's, S&P, and Fitch. If a security is unrated by Moody's, S&P, and Fitch, then we use the rating from other nationally recognized statistical ratings organizations (NSRSOs).

For more information and to obtain a prospectus or summary prospectus, visit payden.com or call 800 572-9336. Before investing, investors should carefully read and consider investment objectives, risks, charges, expenses and other important information about the Fund, which is contained in these documents. Investment in foreign securities entails certain risks from investing in domestic securities, including changes in exchange rates, political changes, differences in reporting standards, and, for emerging-market securities, higher volatility. Investing in high-yield securities entails certain risks from investing in investment-grade securities, including higher volatility, greater credit risk, and the issues' more speculative nature. The Payden Funds are distributed through Payden & Rygel Distributors, member FINRA.

Portfolio Characteristics & Market Commentary

SECTOR ALLOCATION

Asset-Backed Securities	28%
Investment Grade Corporates	20%
Emerging Markets	12%
Mortgage-Backed Securities	11%
CMBS	10%
Gov't Related	8%
High Yield	5%
Money Markets	4%
Bank Loans	2%

CREDIT ALLOCATION^E

AAA	28%
AA	3%
A	12%
BBB	29%
BB and Below	23%
Unrated	5%

DURATION ALLOCATION

0-1 yr	48%
1-3 yrs	48%
3-5 yrs	10%
5-7 yrs	6%
7+ yrs	-12%

Market

- » Fixed-income total returns were mixed for the quarter given interest rates increased 30 to 50 basis points across the U.S. Treasury yield curve due to stickier inflation. Moreover, credit risk premiums rallied on the heels of a still supportive economic backdrop, such as a robust labor market and rising real wages. Given the higher-than-expected inflation data reports, the Federal Reserve (Fed) held rates steady throughout the first quarter. As such, market expectations for interest rate cuts by the Fed have been substantially modified in just the first quarter of the year as the initially anticipated seven rate cuts have been reduced to just three. Separately, risk assets, such as securitized product, emerging-market debt (EMD), and high-yield corporate bonds strongly benefitted from the robust economic backdrop as credit risk premiums continued to decrease throughout the quarter. Conversely, performance within more rate sensitive asset classes, such as government bonds, mortgage-backed securities, and investment-grade corporate bonds were negative to flat for the quarter.

Outlook

- » The combination of a secularly strong labor market, rising real wages, significant easing of financial conditions, and less hawkish global central banks appear supportive of a "stronger for longer" economic outcome. While this combination of factors is certainly positive for near-term growth prospects, it is also likely inflationary in nature. As such, growth expectations are likely too low and therefore market pricing of interest rate cuts appear to be at odds with the trajectory of the U.S. economy and asset prices. If this proves correct, interest rates need to rise, particularly in the long end of the curve, if policy remains lenient in the front-end. The role that interest rate duration plays in a portfolio today might be quite different versus the role it played in the 2000 and 2010 decades. Thus, attractive all-in yields in high-quality fixed income allow for portfolio construction solutions that are resilient in various macroeconomic outcomes, minimizing price risk while not overly mitigating running yield.