

MARCH 31, 2024

Investment Strategy

The Payden Core Bond Fund invests in a diversified mix of bonds across a wide spectrum of sectors and maturities. It utilizes the entire range of maturities from cash instruments to 30-year bonds, investing in sectors, such as, sovereign bonds, corporates, mortgage-backed securities and asset-backed securities. There is some use of below investment-grade bonds for their added yield and diversification. The fund has a moderate degree of expected price volatility given its longer-duration profile.

Fund Highlights

- » Bond selection is driven by extensive credit research.
- » Diversified portfolio holdings.
- » Investments allocated across the 1-year to 30-year maturity spectrum.
- » The value of an investment will generally fall when interest rates rise.

Performance^A

MONTHLY	YTD	1 YEAR	3 YEAR	5 YEAR	10 YEAR	SINCE INCEPTION (12-31-93)
PAYDEN CORE BOND FUND	-0.29%	2.94%	-2.10%	0.53%	1.82%	4.22%
BLOOMBERG US AGGREGATE BOND INDEX	-0.78%	1.70%	-2.45%	0.36%	1.54%	4.34%

Calendar-Year Returns

2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
6.57%	-13.55%	-1.00%	6.93%	9.27%	-1.26%	5.25%	3.66%	0.82%	6.17%

FUND DESCRIPTION

CLASS:	Investor
FUND INCEPTION:	Dec 31, 1993
TICKER:	PYCBX
CUSIP:	704329408
TOTAL NET ASSETS:	\$980.1 Million
INVESTMENT MINIMUM: ^B	\$100,000
IRA MINIMUM: ^B	\$100,000
DIVIDENDS PAID:	Monthly
DIVIDENDS (LAST 12 MOS):	\$0.361

FUND STATISTICS

EFFECTIVE DURATION: ^C	6.4 Years
AVERAGE MATURITY:	9.0 Years
30-DAY SEC YIELD:	4.29%

EXPENSES

TOTAL FUND OPERATING EXPENSES:	0.53% ^D
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PORTFOLIO MANAGEMENT

	Years of Experience
Brian W. Matthews, CFA	41
Michael E. Salvay, CFA	40
Mary Beth Syal, CFA	39
Nigel Jenkins, ASIP	35
Timothy J. Crawmer, CFA	25

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

Intermediate-Term Bond – Appropriate as a core fixed-income holding for investors seeking exposure to a diversified bond portfolio.

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)

Portfolio Characteristics & Market Commentary

SECTOR ALLOCATION

Mortgage-Backed	35%
Corporates	31%
Government/Gov't Related	20%
Asset-Backed	8%
Municipal Bonds	4%
Other	2%

CREDIT ALLOCATION^E

AAA	54%
AA	5%
A	12%
BBB	19%
BB	5%
B	1%
Unrated	4%

DURATION ALLOCATION

0-1 yr	10%
1-3 yrs	12%
3-5 yrs	18%
5-7 yrs	33%
7-10 yrs	15%
10+ yrs	12%

Market

- » In March, a prevailing risk-on sentiment persisted, propelling several equity indices to record highs, and sustaining the rally in credit markets.
- » The U.S. Federal Reserve (Fed) Chair Jerome Powell affirmed expectations of future rate cuts, pending closer alignment of inflation with targets. February's Non-Farm Payroll report exceeded forecasts with 275,000 new jobs added, yet unemployment rose to 3.9%. This led to lower front-end yields and a weaker U.S. dollar. Additionally, the Consumer Price Index (CPI) came in at 3.2% year-on-year, slightly beating the expectations of 3.1%. Despite this, the Fed left interest rates unchanged at the recent Federal Open Market Committee (FOMC) meeting, with the dot plot indicating anticipation of three rate cuts by year-end, amidst a resilient macroeconomic landscape. U.S. Treasury yields tightened slightly, with the 10-year moving 0.05% lower to end the month at 4.20%.

Outlook

- » The narrative around the landing of the U.S. economy has been a key driver of financial markets this year. Investors have coalesced around the view that the Fed has averted inflation from becoming entrenched and that the U.S. economy should experience a "soft-landing." We too agree that a soft-landing scenario is the most likely outcome. Against this backdrop, we believe risk assets should generate returns in excess of cash and outperform underlying government bonds, with yields being a significant component of returns.
- » While this view is shared by many market participants, there are a few areas where our expectations differ from current market prospects. First, we expect the Fed to start cutting interest rates in 2024, although as a central case we believe the Fed may start cutting later and by less than what markets are currently discounting. Second, we anticipate other major central banks (European Central Bank, Bank of England) will also start cutting this year, but we don't expect that cutting cycles will move directly in tandem with one another as currently priced in across central banks, given the rise of macro divergences should lead to different monetary policies. Third, we see a high level of complacency across most risk assets as indicated by current levels of valuations, investor positioning, and volatility indicators. We believe macro and asset volatilities are unlikely to stay at such low levels in 2024.

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 Total Annual Fund Operating Expenses include all direct operating expenses of the Fund, as well as 0.01% Acquired Fund Fees and Expenses incurred indirectly by the Fund through its investment in other mutual funds. ^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.

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. 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. 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. The Payden Funds are distributed through Payden & Rygel Distributors, member FINRA.