

MARCH 31, 2024

Investment Strategy

The Payden GNMA Fund invests at least 80% of its assets in mortgage-backed securities that are guaranteed by the full faith and credit of the U.S. government. The fund invests in a range of mortgage-backed security pools. The balance of the fund's assets is invested in other obligations guaranteed by the U.S. government or its agencies.

Fund Highlights

- » Yields generally exceed intermediate-maturity U.S. Treasuries.
- » 100% invested in securities issued by the U.S. government or its agencies.
- » While share values will fluctuate as interest rates move up and down, there is no corporate credit risk associated with the portfolio's holdings.
- » 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 (08-27-99)
PAYDEN GNMA FUND	-1.09%	0.85%	-3.60%	-0.88%	0.65%	3.56%
ICE BOFA US GNMA MORTGAGE BACKED SECURITIES INDEX	-1.00%	1.59%	-2.59%	-0.22%	1.09%	3.70%

Calendar-Year Returns

2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
4.52%	-12.55%	-1.84%	4.26%	5.67%	0.38%	1.31%	1.78%	1.20%	5.95%

FUND DESCRIPTION

CLASS:	Investor
FUND INCEPTION:	Aug 27, 1999
TICKER:	PYGNX
CUSIP:	704329473
TOTAL NET ASSETS:	\$102.5 Million
INVESTMENT MINIMUM: ^B	\$5,000
IRA MINIMUM: ^B	\$2,000
DIVIDENDS PAID:	Monthly
DIVIDENDS (LAST 12 MOS):	\$0.251

FUND STATISTICS

EFFECTIVE DURATION: ^C	5.6 Years
AVERAGE MATURITY:	8.0 Years
30-DAY SEC YIELD:	3.55%
30-DAY SEC YIELD: (UNSUBSIDIZED)	3.29%

EXPENSES

TOTAL FUND OPERATING EXPENSES:	0.63% ^D
WITH EXPENSE CAP:	0.45%

PORTFOLIO MANAGEMENT

	Years of Experience
Michael E. Salvay, CFA	40
Mary Beth Syal, CFA	39
Gary S. Greenberg, CFA	31
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

Appropriate for investors who seek higher yields and diversification through debt issued by the Government National Mortgage Association.

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

GNMA COUPON ALLOCATION

2.0%	16%
2.5%	21%
3.0%	16%
3.5%	13%
4.0%	7%
4.5%	5%
5.0%	6%
5.5%	9%
6.0% and Above	7%

DURATION ALLOCATION

0-3 yrs	15%
3-5 yrs	16%
5-7 yrs	65%
7-10 yrs	4%

Market

- » The Ginnie Mae (GNMA) mortgage market experienced negative performance for the first quarter of 2024, trailing U.S. Treasuries and credit sensitive fixed-income sectors. Interest rates rose significantly on stronger-than-anticipated inflation and employment reports. Stronger economic data forced market participants to moderate Federal Reserve (Fed) rate cut expectations for 2024.
- » GNMA mortgage risk premiums, which reflect the additional yield investors receive above U.S. Treasuries, edged lower after experiencing roller coaster movement for the period. Demand for agency mortgages remains tentative as financial institutions wait for an easing in Fed monetary policy conditions before moving off the sidelines. Money managers remain the primary absorber of originator supply and Fed mortgage portfolio paydowns.
- » For the month, the GNMA mortgage current coupon yield rose 0.30% to 5.48%, a level that is still trading above a fifteen-year high.

Outlook

- » We remain constructive on the GNMA mortgage market with an expectation of modestly lower yields and a compression in risk premiums, to long-term averages. We also expect domestic bank demand to improve in the coming quarters. High mortgage rates have stabilized the prepayment outlook.
- » The Payden GNMA Fund has a slight long-duration bias to benefit from an expected softening of economic conditions, an improvement in the inflation outlook, and an end to Fed tightening of monetary policy.
- » The Fund favors securities that exhibit stable prepayment attributes, including seasoned loan balance and mobile home pools.

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 ("Payden") has contractually agreed that, for so long as it is the investment adviser to the Fund, Total Annual Fund Operating Expenses After Fee Waiver or Expense Reimbursement will not exceed 0.50%. Please note that the 0.50% expense level does not include Acquired Fund Fees and Expenses, interest, taxes, and extraordinary expenses. Payden has contractually agreed to further waive its investment advisory fee or reimburse Fund expenses to the extent that the Total Annual Fund Operating Expenses After Further One-Year Fee Waiver or Expense Reimbursement exceed 0.45%. This agreement has a one-year term ending February 28, 2025. Please note that the 0.45% expense level does not include Acquired Fund Fees and Expenses, interest, taxes, and extraordinary expenses.

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