

PAYDEN ABSOLUTE RETURN BOND FUND SI CLASS (PYAIX)

Payden Funds

JUNE 30, 2025

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 SI CLASS	3.19%	6.47%	6.57%	3.99%	3.34%	3.22%
ICE BOFA U.S. 1-MONTH TREASURY BILL INDEX*	2.13%	4.70%	4.56%	2.76%	1.90%	1.78%
BLOOMBERG U.S. TREASURY BILLS 1-MONTH INDEX	1.44%	3.20%	3.14%	1.90%	1.31%	1.23%

* Effective February 28, 2025, the Fund's benchmark changed from the Bloomberg U.S. Treasury Bills 1-Month Index to the ICE BofA U.S. 1-Month Treasury Bill Index.

Calendar-Year Returns

2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
7.79%	6.45%	-2.51%	1.35%	3.03%	5.79%	1.11%	3.66%	3.96%	1.07%

FUND DESCRIPTION

CLASS:	SI
FUND INCEPTION:	Nov 06, 2014
TICKER:	PYAIX
CUSIP:	70432T305
TOTAL NET ASSETS:	\$647.1 Million
INVESTMENT MINIMUM: ^B	\$10,000,000
IRA MINIMUM: ^B	\$10,000,000
DIVIDENDS PAID:	Monthly
DIVIDENDS (LAST 12 MOS):	\$0.657

FUND STATISTICS

EFFECTIVE DURATION: ^C	3.2 Years
AVERAGE MATURITY:	3.3 Years
30-DAY SEC YIELD: ^D	5.40%
30-DAY SEC YIELD: ^E (UNSUBSIDIZED)	5.11%

EXPENSES

TOTAL FUND OPERATING EXPENSES:	0.78% ^F
WITH EXPENSE CAP:	0.48%

PORTFOLIO MANAGEMENT

	Years of Experience
Brian W. Matthews, CFA	42
Kristin J. Ceva, PhD, CFA	36
Nigel Jenkins, ASIP	36
Eric J. Souders, CFA	19
Alec B. Small, CFA	14

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: \$160 billion
(as of 06/30/25)

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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 Funds' 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 The 30-day SEC yield represents the dividends and interest earned for a 30-day period, annualized, and divided by the net asset values per share at the end of the period. The SEC yield is computed under a standardized formula which assumes all portfolio securities are held to maturity. This value may differ from the actual distribution rate of the fund. ^E Represents a 30-day SEC yield without adjusting for fee waivers or expense reimbursements. ^F 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. Payden & Rygel has contractually agreed to limit Total Annual Fund Operating Expenses After Fee Waiver or Expense Reimbursement to 0.47%. This agreement has a one-year term ending February 28, 2026. Please note that the 0.47% expense level does not include Acquired Fund Fees and Expenses, interest, taxes, and extraordinary expenses. ^G 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 (NRSROs).

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

Mortgage-Backed Securities	27%
Asset-Backed Securities	21%
Investment Grade Corporates	16%
Emerging Markets	10%
Money Markets	8%
High Yield	6%
CMBS	6%
Bank Loans	4%
Gov't Related	2%

CREDIT ALLOCATION^G

AAA	19%
AA	15%
A	16%
BBB	27%
BB and Below	16%
Unrated	7%

DURATION ALLOCATION

0-1 yr	-8%
1-3 yrs	82%
3-5 yrs	20%
5-7 yrs	5%
7+ yrs	1%

Market

» Despite a volatile start to the second quarter, fixed-income markets ultimately posted positive returns as conditions stabilized and sentiment improved. April was marked by a sharp repricing in interest rates and wider credit risk premiums following the U.S. administration's announcement of broad-based tariffs, which revived concerns around inflation and global growth. U.S. Treasury yields moved meaningfully throughout the quarter, with the 10-year rate hovering around 4.50% on several occasions, then retracing lower as markets digested the policy shifts. Risk sentiment improved in May and June as economic data surprised to the upside, supported by firm labor market readings and steady consumer activity, which helped ease fears of a near-term slowdown. Equities also recovered over the quarter following a weak start, supported by resilient earnings and reduced policy uncertainty. Meanwhile, policymakers adopted a more measured tone, further calming markets. U.S. Treasury yields ultimately ended the quarter mixed, with front-end yields lower and longer-end yields flat to higher, while credit risk premiums retraced much of their April widening. The combination of resilient growth, moderating volatility, and improved policy clarity supported a broad recovery across fixed-income markets.

Outlook

» Recent market movements suggest a more resilient tone has taken hold, with risk assets rebounding from recent volatility despite persistent macroeconomic uncertainty. While sentiment has improved, we believe markets are increasingly priced for a soft landing, leaving little margin for error. Policy remains tight in the U.S., with a growth-negative mix of elevated tariffs, potential for increased spending, and fading fiscal support. Against this backdrop, valuations appear stretched, and recession risks underappreciated. The team reduced overall credit exposure and is more favorable in adding non-U.S. credit exposure. Emerging-markets local debt remains a relatively bright spot, supported by favorable growth differentials, anchored inflation, and more accommodative monetary policy. Looking ahead, our positioning will be guided by incoming data, market dynamics, and evolving policy developments, with a focus on navigating what remains a fragile and policy-constrained environment.