

MARCH 31, 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<sup>A</sup>

MONTHLY	YTD	1 YEAR	3 YEAR	5 YEAR	10 YEAR	SINCE INCEPTION (11-06-14)
PAYDEN ABSOLUTE RETURN BOND FUND	1.23%	6.33%	4.81%	5.13%	2.96%	2.90%
ICE BOFA U.S. 1-MONTH TREASURY BILL INDEX <sup>B</sup>	1.05%	4.97%	4.23%	2.54%	1.79%	1.72%
BLOOMBERG U.S. TREASURY BILLS 1-MONTH INDEX	0.70%	3.35%	2.91%	1.75%	1.24%	1.19%

### Calendar-Year Returns

2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
7.55%	6.22%	-2.74%	1.13%	2.81%	5.52%	0.95%	3.40%	3.81%	0.93%

### FUND DESCRIPTION

CLASS:	Investor
FUND INCEPTION:	Nov 06, 2014
TICKER:	PYARX
CUSIP:	70432T107
TOTAL NET ASSETS:	\$635.5 Million
INVESTMENT MINIMUM: <sup>C</sup>	\$100,000
IRA MINIMUM: <sup>C</sup>	\$100,000
DIVIDENDS PAID:	Monthly
DIVIDENDS (LAST 12 MOS):	\$0.645

### FUND STATISTICS

EFFECTIVE DURATION: <sup>D</sup>	2.0 Years
AVERAGE MATURITY:	3.1 Years
30-DAY SEC YIELD:	5.14%
30-DAY SEC YIELD: (UNSUBSIDIZED)	5.08%

### EXPENSES

TOTAL FUND OPERATING EXPENSES:	0.78% <sup>E</sup>
WITH EXPENSE CAP:	0.71%

### 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](http://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:** \$165 billion  
(as of 03/31/25)

## Portfolio Characteristics & Market Commentary

### SECTOR ALLOCATION

Mortgage-Backed Securities	24%
Asset-Backed Securities	22%
Investment Grade Corporates	22%
Emerging Markets	13%
CMBS	7%
High Yield	5%
Bank Loans	4%
Other	3%

### CREDIT ALLOCATION<sup>F</sup>

AAA	19%
AA	9%
A	20%
BBB	24%
BB	18%
B	6%
Unrated	4%

### DURATION ALLOCATION

0-1 yr	-7%
1-3 yrs	92%
3-5 yrs	17%
5-7 yrs	4%
7+ yrs	-6%

## Market

- » Markets faced mixed signals in the first quarter of 2025, driven by the competing pressures from persistent inflation and slowing growth. The core personal consumption expenditures (PCE) price index rose, fueling concerns that inflation progress may have stalled. At the same time, growth indicators weakened. While consumer spending rebounded modestly in February, it failed to offset the decline seen in January. Fixed-income returns were generally positive for the quarter, although performance varied across sectors amid evolving macroeconomic dynamics and geopolitical tensions. Falling U.S. Treasury yields supported duration-sensitive assets, while more credit-sensitive sectors struggled with rising volatility and widening credit risk premiums in March. Market volatility increased notably in the latter half of the quarter as tariff announcements, equity market weakness, and policy uncertainty weighed on sentiment, resulting in a modest shift toward risk-off strategies.

## Outlook

- » Recent market movements suggest growing awareness of a more delicate economic balance, shaped by tight policy settings, weakening economic trends, and diminished fiscal support. The cycle appears to be moving beyond its late-stage phase, with the potential for further asset repricing to weigh on economic momentum. In this environment, we remain cautious about credit risk, particularly in the U.S., and prefer to add exposure to interest rates during periods of rising yields, given the current policy backdrop. Moving forward, our positioning will be guided by incoming data, market behavior, the Federal Reserve's policy decisions, and the new administration's evolving stance on deficit reduction and financial conditions.

# Payden Funds

## FOOTNOTES

<sup>A</sup> Returns less than one year are not annualized. <sup>B</sup> 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. <sup>C</sup> 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. <sup>D</sup> Effective duration is a measure of the Fund's price sensitivity to changes in interest rates. <sup>E</sup> 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 0.70%. This agreement has a one-year term ending February 28, 2026. Please note that the 0.70% expense level does not include Acquired Fund Fees and Expenses, interest, taxes, and extraordinary expenses. <sup>F</sup> 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](http://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.