

DECEMBER 31, 2022

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	-2.74%	-2.74%	0.37%	1.50%	-	1.89%
BLOOMBERG US TREASURY BILLS 1-MONTH INDEX	0.99%	0.99%	0.44%	0.79%	-	0.58%

Calendar-Year Returns

2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
-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:	\$740.2 Million
INVESTMENT MINIMUM: ^B	\$5,000
IRA MINIMUM: ^B	\$2,000
DIVIDENDS PAID:	Monthly
DIVIDENDS (LAST 12 MOS):	\$0.335

FUND STATISTICS

EFFECTIVE DURATION: ^C	2.0 Years
AVERAGE MATURITY:	4.0 Years
30-DAY SEC YIELD:	5.70%
30-DAY SEC YIELD: (UNSUBSIDIZED)	5.65%

EXPENSES

TOTAL FUND OPERATING EXPENSES:	0.74% ^D
WITH EXPENSE CAP:	0.70%

PORTFOLIO MANAGEMENT

	Years of Experience
Brian W. Matthews, CFA	40
Michael E. Salvay, CFA	37
Mary Beth Syal, CFA	37
Nigel Jenkins, ASIP	33
James T. Wong, CFA	30
Eric J. Souders, CFA	17

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 has served the needs of institutional and individual investors for over a quarter century. We offer a full array of investment strategies and products, including fixed income, equity, balanced, and absolute return portfolios, to a varied global client base. While we have grown and expanded our strategies since our inception, we are committed to our mission of providing customized investment management services focusing on each client's specific needs and objectives.

Headquarters: Los Angeles

Founded: 1983

Assets Under Management: \$133 billion
(as of 12/31/22)

Portfolio Characteristics & Market Commentary

SECTOR ALLOCATION

Asset-Backed Securities	27%
Investment Grade Corporates	19%
CMBS	18%
Emerging Markets	11%
High Yield	10%
Mortgage-Backed Securities	9%
Money Markets	3%
Other	3%

CREDIT ALLOCATION^E

AAA	13%
AA	7%
A	12%
BBB	26%
BB and Below	24%
Unrated	18%

DURATION ALLOCATION

0-1 yr	58%
1-3 yrs	14%
3-5 yrs	11%
5-7 yrs	11%
7+ yrs	6%

Market

- » The fourth quarter was a bright spot in a challenging year for fixed income. Despite a volatile year for emerging-markets (EM) debt, in the last few months of the year, the asset class generated strong positive performance, benefiting from news of China reopening and the fact that most EM central banks were ahead of the developed-market central banks' hiking cycle. In structured products, a more favorable macroeconomic environment highlighted by an approximate 1% decrease in mortgage rates to end the year, was a primary driver for the strong positive performance of residential mortgage credit. Credit risk premiums compressed for the quarter; however, more positive total returns were modestly offset by higher global developed rates (on average).

Outlook

- » While the strategy remains constructive on the structural protections of securitized product, the team has a nuanced view of the asset class and is focused on a more balanced risk allocation with respect to securitized product relative to the combination of corporates and emerging-markets debt. The strategy has become more constructive on interest rates at current levels as the Federal Reserve hiking cycle ages. As economic growth expectations once again become a dominant factor versus inflation, the strategy team has taken steps to improve the liquidity profile of the Fund and is more focused on specific themes and bottom-up item selection rather than broad beta.



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. Paydenfund'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, 2023. 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 Paydenfunds are distributed through Payden & Rygel Distributors, member FINRA.