

JUNE 30, 2025

### Investment Strategy

The Payden Strategic Income Fund invests in a customized mix of fixed-income sectors, across the entire bond universe and maturity curve. This strategy invests in a diverse mix of securities across a multitude of sectors including: emerging-markets, high-yield and investment-grade corporates, and mortgage-backed and asset-backed securities, investing with a long-term outlook.

### Fund Highlights

- » Seeks income with a custom mix of investments across the yield curve.
- » Focuses on "best ideas" to uncover relative value opportunities globally, with the ability to invest anywhere.
- » Strategic investment horizon encourages a flexible and creative approach to structuring the portfolio.
- » The value of an investment will generally fall when interest rates rise.

### Performance<sup>A</sup>

MONTHLY	YTD	1 YEAR	3 YEAR	5 YEAR	10 YEAR	SINCE INCEPTION (05-08-14)
PAYDEN STRATEGIC INCOME FUND	3.19%	6.68%	5.58%	3.17%	3.23%	3.10%
BLOOMBERG U.S. AGGREGATE BOND INDEX	4.02%	6.08%	2.55%	-0.73%	1.76%	1.82%

### Calendar-Year Returns

2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
5.46%	7.42%	-6.62%	1.72%	6.19%	8.33%	-0.51%	4.24%	3.65%	1.78%

### FUND DESCRIPTION

CLASS:	Investor
FUND INCEPTION:	May 08, 2014
TICKER:	PYSGX
CUSIP:	704329168
TOTAL NET ASSETS:	\$157.0 Million
INVESTMENT MINIMUM: <sup>B</sup>	\$100,000
IRA MINIMUM: <sup>B</sup>	\$100,000
DIVIDENDS PAID:	Monthly
DIVIDENDS (LAST 12 MOS):	\$0.492

### FUND STATISTICS

EFFECTIVE DURATION: <sup>C</sup>	3.8 Years
AVERAGE MATURITY:	5.8 Years
30-DAY SEC YIELD: <sup>D</sup>	5.12%
30-DAY SEC YIELD: <sup>E</sup> (UNSUBSIDIZED)	4.85%

### EXPENSES

TOTAL FUND OPERATING EXPENSES:	0.89% <sup>F</sup>
WITH EXPENSE CAP:	0.66%

### PORTFOLIO MANAGEMENT

	Years of Experience
Michael E. Salvay, CFA	41
Kristin J. Ceva, PhD, CFA	36
Nigel Jenkins, ASIP	36
Natalie N. Trevithick, CFA	28
Timothy J. Crawmer, CFA	26

*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

Strategic Income – Appropriate for investors with a long-term investment horizon who seek higher income and diversification across the full bond universe.

## 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)

**Payden Funds**

## FOOTNOTES

<sup>A</sup> Returns less than one year are not annualized. <sup>B</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>C</sup> Effective duration is a measure of the Fund's price sensitivity to changes in interest rates. <sup>D</sup> 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. <sup>E</sup> Represents a 30-day SEC yield without adjusting for fee waivers or expense reimbursements. <sup>F</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 0.65%. This agreement has a one-year term ending February 28, 2026. Please note that the 0.65% expense level does not include Acquired Fund Fees and Expenses, interest, taxes, and extraordinary expenses.

<sup>G</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.

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. Investing in equity securities poses certain risks, including a sudden decline in a holding's share price, or an overall decline in the stock market. The value of the Fund's investment in any such securities will fluctuate on a day-to-day basis with movements in the stock market, as well as in response to the activities of individual companies whose equity securities the Fund owns. Fund price may fall when the U.S. stock market declines. Moreover, purchasing stocks perceived to be undervalued brings additional risks. For example, the issuing company's condition may worsen instead of improve, or the pace and extent of any improvement may be less than expected. 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

Investment Grade Corporates	25%
Securitized	24%
U.S. Government	16%
Agency MBS	12%
Emerging Market Debt	9%
High Yield	9%
Other	5%

### CREDIT ALLOCATION<sup>G</sup>

AAA	13%
AA	29%
A	8%
BBB	27%
BB	13%
B	3%
CCC	1%
Unrated	6%

### DURATION ALLOCATION

0-1 yr	25%
1-3 yrs	18%
3-5 yrs	25%
5-7 yrs	18%
7-10 yrs	10%
10+ yrs	4%

## Market

- » The second quarter of 2025 was a turbulent yet resilient period for financial markets, characterized by a potent mix of trade policy shifts, inflationary undercurrents, and robust corporate performance. The S&P 500 Index experienced double-digit gains over the quarter, driven by a tech-led rally and intermittent optimism around U.S.-China trade negotiations. However, renewed tariff threats and persistent inflation concerns introduced volatility, with the CBOE Volatility Index (VIX) peaking above 50 for the first time in over five years.
- » Over the quarter, inflation showed signs of stabilization but remained a focal point for markets, while consumer spending remained subdued amid trade-related uncertainties and inflationary pressures. Federal Reserve Chair Jerome Powell maintained a hawkish tone, emphasizing vigilance against potential tariff-driven inflation spikes. U.S. interest rates were volatile throughout the quarter but ended largely unchanged.

## Outlook

- » Global uncertainty remains elevated, driven by ongoing tariff threats and concerns about U.S. policies (e.g., immigration and proposed federal spending cuts to social programs). These issues are weakening consumer and business sentiment and are pushing inflation expectations higher, particularly in the U.S.
- » Unlike softer economic indicators such as sentiment, hard economic data, like steady income growth, resilient consumer spending, and a healthy labor market, suggest a fundamentally strong economy. Outside of the U.S., new expansionary fiscal packages in regions like Europe and China have improved growth expectations.
- » We anticipate below-average economic growth in the near term, with potential challenges that could further slow progress. In this environment, we aim to distribute risk in our portfolios more evenly across duration and credit. Consistent with our outlook, we continue to favor higher-quality credit, including investment-grade corporate bonds, agency mortgage-backed securities (MBS), and AAA-rated securitized assets, which offer attractive relative value and diversification in our view.