PAYDEN CORPORATE BOND FUND (PYACX)

Payden Funds

MARCH 31, 2025

Investment Strategy

The Payden Corporate Bond Fund's strategy is to purchase investment-grade corporate bonds of companies that have leading market positions, strong cash flow generation, stable management teams and predictable earnings. The strategy's focus is on bottom-up credit selection with an emphasis placed on adding issues with a near-term catalyst to outperform. Our credit research process looks to capitalize on opportunities in the corporate bond market across sectors and maturities; including the early identification of potential rising stars - companies that we believe will be upgraded to investment grade in the near term. A forward-looking approach is taken to credit analysis. A priority is placed on assessing a company's future trajectory and the corresponding risk and opportunities for bondholders under various scenarios. Up to 20% of fund assets may be below investment grade.

Fund Highlights

- The fund is a well-diversified portfolio of U.S. dollar investment-grade corporate securities backed by extensive in-house credit research.
- It invests in credits across the full maturity spectrum and its duration and curve positioning are actively managed.
- The fund has the flexibility to opportunistically invest in below investment-grade securities and emerging-market debt.
- No loads (other fees apply).
- 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 (03-12-09)
PAYDEN CORPORATE BOND FUND	2.19%	5.29%	1.14%	1.89%	2.80%	5.01%
BLOOMBERG U.S. CORPORATE BOND INDEX	2.31%	4.90%	1.14%	1.51%	2.43%	4.98%

Calendar-Year Returns

2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
3.16%	8.53%	-16.33%	-0.07%	8.64%	14.46%	-3.05%	8.53%	6.82%	1.15%

FUND DESCRIPTION

CLASS:	Investor
FUND INCEPTION:	Mar 12, 2009
TICKER:	PYACX
CUSIP:	704329366
TOTAL NET ASSETS:	$375.1 Million
INVESTMENT MINIMUM:[B]	$100,000
IRA MINIMUM:[B]	$100,000
DIVIDENDS PAID:	Monthly
DIVIDENDS (LAST 12 MOS):	$0.454

FUND STATISTICS

EFFECTIVE DURATION:[C]	6.9 Years
AVERAGE MATURITY:	11.4 Years
30-DAY SEC YIELD:	4.98%
30-DAY SEC YIELD: (UNSUBSIDIZED)	4.97%

EXPENSES

TOTAL FUND OPERATING EXPENSES:	0.68%[D]
WITH EXPENSE CAP:	0.66%

PORTFOLIO MANAGEMENT

	Years of Experience
Michael E. Salvay, CFA	41
Natalie N. Trevithick, CFA	28
Timothy J. Crawmer, CFA	26
Alfred Giles III, CFA	24

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 as a fixed-income holding for investors seeking a dedicated corporate bond strategy.

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)

Payden Funds

Portfolio Characteristics & Market Commentary

SECTOR ALLOCATION

Industrials	42%
Financial Institutions	37%
Utilities	8%
Mortgage-Backed	5%
Other	4%
Asset-Backed	2%
Municipal Bonds	2%

CREDIT ALLOCATION[E]

AAA	7%
AA	11%
A	31%
BBB	42%
BB	7%
B	2%

DURATION ALLOCATION

0-1 yr	8%
1-3 yrs	16%
3-5 yrs	19%
5-7 yrs	18%
7-10 yrs	13%
10+ yrs	26%

Market

» Trade tensions continued to escalate, along with growing fears of a U.S. recession and a global economic slowdown, as the Trump administration continued to threaten further tariffs set to take place on April 2nd. As a result, the yield curve steepened with the 2-year yield decreasing by 0.11% while long-term U.S. Treasury yields rose by as much as 0.08%. Corporate yields over similar-maturity U.S. Treasuries also came under pressure, increasing by as much as 0.10% before finishing the month 0.07% higher at 0.94%. Consequently, all-in yields on 1- to 30-year corporate bonds rose by 0.07%, reaching 5.15%.

» Despite the shaky backdrop, primary supply still finished the month at $194 billion, bringing the first-quarter total issuance to a record $539 billion. In typical fashion, non-financial supply outpaced financial sector issuance, 60% to 40%, respectively.

Outlook

» During the month, the Fund selectively participated in the new issue calendar, adding exposure across a broad range of sectors, with a particular focus on technology, consumer cyclicals, and non-cyclicals. The Fund focused on securities with strong risk-adjusted value, as well as higher-quality names expected to outperform in a market selloff. Conversely, the Fund reduced exposure to out-of-index sectors such as high yield and emerging markets given the heightened volatility, while also taking profits where appropriate. The Fund maintained a modestly long duration relative to its benchmark.

» Corporate markets continued to feel pressure from escalating tariff talks and softer economic data, which could indicate a weakening macroeconomic outlook. Despite this uncertainty, corporate issuers continued to aggressively bring new supply into the market, likely enticed by lower U.S. Treasury yields. This influx of supply continues to be met with strong demand, though investors are now requiring slightly higher risk premiums.

» Looking ahead, we note that declining consumer confidence and management uncertainty around tariffs increase the potential for an economic slowdown, and we remain highly data-dependent. On a positive note, these factors may increase the likelihood of further Federal Reserve rate cuts this year, potentially boosting the total return potential of corporate bonds. Given the rapid changes across the global landscape, we anticipate heightened volatility in credit markets in the coming months. While our long-term corporate outlook remains positive, we recognize that this new environment presents both increased risks and opportunities. As such, careful credit selection and the ability to adapt positioning to the evolving market conditions will be critical in the quarters ahead.

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] 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. [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.

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.