

JUNE 30, 2025

### Investment Strategy

The Payden Floating Rate Fund's investment objective is to seek a high level of current income through floating-rate debt instruments, with a secondary objective of long-term capital appreciation. At least 80% of fund assets will be floating rate. The fund generally invests in the higher-quality segment of the market and looks for companies with good growth prospects, superior products, and strong management teams.

### Fund Highlights

- » High-yield loan focus. Opportunistic exposure to short-term high-yield corporates.
- » Payden primarily focuses on the higher quality end of the high-yield loan market. We believe that the risk-return profile of BB and high single-B rated loans is superior to that of lower-rated loans.
- » Due to the size of the fund, we can buy the loans we want and get meaningful new issuance allocations, which is difficult for funds with assets above \$1 billion.
- » The primary risk to the fund is a downturn in the economy.

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

MONTHLY	YTD	1 YEAR	3 YEAR	5 YEAR	10 YEAR	SINCE INCEPTION (11-11-13)
PAYDEN FLOATING RATE FUND	2.61%	7.02%	9.65%	7.00%	4.70%	4.46%
BLOOMBERG U.S. LEVERAGED LOAN INDEX*	2.73%	6.95%	9.23%	7.21%	–	5.83% <sup>B</sup>

\* Effective February 28, 2025, the Fund's benchmark changed from the Credit Suisse Institutional Leveraged Loan BB Index to the Bloomberg U.S. Leveraged Loan Index.

### Calendar-Year Returns

2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
8.90%	12.86%	0.28%	3.93%	1.72%	8.49%	0.31%	2.82%	6.73%	2.11%

### FUND DESCRIPTION

CLASS:	Investor
FUND INCEPTION:	Nov 11, 2013
TICKER:	PYFRX
CUSIP:	704329226
TOTAL NET ASSETS:	\$133.6 Million
INVESTMENT MINIMUM: <sup>C</sup>	\$100,000
IRA MINIMUM: <sup>C</sup>	\$100,000
DIVIDENDS PAID:	Monthly
DIVIDENDS (LAST 12 MOS):	\$0.811

### FUND STATISTICS

EFFECTIVE DURATION: <sup>D</sup>	0.3 Years
AVERAGE MATURITY:	5.3 Years
30-DAY SEC YIELD: <sup>E</sup>	6.88%
30-DAY SEC YIELD: <sup>F</sup> (UNSUBSIDIZED)	6.63%

### EXPENSES

TOTAL FUND OPERATING EXPENSES:	0.95% <sup>G</sup>
WITH EXPENSE CAP:	0.71%

### PORTFOLIO MANAGEMENT

	Years of Experience
Natalie N. Trevithick, CFA	28
Timothy J. Crawmer, CFA	26
Alfred Giles III, CFA	24
Jordan H. Lopez, CFA	21
Nicholas Burns III, 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

High-yield loans – Appropriate for investors who seek higher yields but do not want significant exposure to interest rate risk. Loans can be used as a hedge against rising interest rates in fixed-income portfolios as they are historically negatively correlated with Treasuries.

## 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 performance of the Bloomberg U.S. Leveraged Loan Index since inception (5.83%) does not align with the Fund's inception date, as the index began on 01/31/2019. The Floating Rate Fund's performance since 01/31/2019 is 5.54%. <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> 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>F</sup> Represents a 30-day SEC yield without adjusting for fee waivers or expense reimbursements. <sup>G</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>H</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. 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

### ASSET MIX

Bank Loans	90%
Corporate Bonds	5%
Asset Backed Securities	3%
Cash	1%
Other	1%

### CREDIT ALLOCATION<sup>H</sup>

AAA	1%
BBB	7%
BB	38%
B	45%
CCC	5%
Unrated	4%

### TOP-10 HOLDINGS

Flynn Restaurant	1.1%
SanDisk	1.1%
Aggreko	1.1%
Pitney Bowes Credit Union	1.1%
Quikrete	1.1%
TK Elevator	1.0%
Athenahealth	1.0%
Frontier Communications	1.0%
Perrigo Co Ltd	0.9%
Omnia Partners LLC	0.9%

## Market

- » The Bloomberg U.S. Leveraged Loan Index returned +2.1% for the quarter. In contrast, high-yield bonds returned +3.6%, while high-grade bonds returned +1.8%.
- » Loan issuance during the quarter was \$104 billion (\$41 billion net of refinancing and repricing). Year-to-date issuance stands at \$441 billion (\$102 billion net).
- » The loan default rate was 3.8% (including distressed exchanges) over the trailing 12 months.

## Outlook

- » An environment characterized by lower growth would disproportionately impact the lower-quality segment of the loan market, which has a higher leverage profile and is more sensitive to the macroeconomic environment. This makes security selection critical in the coming quarters.
- » The Federal Reserve could potentially offset growth concerns, as cuts to the federal funds rate immediately impact loan issuers in the form of reduced interest expense and increased cash flow.
- » With average loan prices now around \$97.00, we see more compelling opportunities for above-carry returns among certain issuers, although downside avoidance will be critical in the coming months, particularly as economic dynamics are changing constantly.