

DECEMBER 31, 2022

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^A

MONTHLY	YTD	1 YEAR	3 YEAR	5 YEAR	10 YEAR	SINCE INCEPTION (11-11-13)
PAYDEN FLOATING RATE FUND	0.28%	0.28%	1.96%	2.90%	-	3.06%
CREDIT SUISSE INSTITUTIONAL LEVERAGED LOAN BB INDEX	2.58%	2.58%	1.16%	2.51%	-	3.08%

Calendar-Year Returns

2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
0.28%	3.93%	1.72%	8.49%	0.31%	2.82%	6.73%	2.11%	1.41%	0.50%

FUND DESCRIPTION

CLASS:	Investor
FUND INCEPTION:	Nov 11, 2013
TICKER:	PYFRX
CUSIP:	704329226
TOTAL NET ASSETS:	\$117.5 Million
INVESTMENT MINIMUM: ^B	\$5,000
IRA MINIMUM: ^B	\$2,000
DIVIDENDS PAID:	Monthly
DISTRIBUTIONS (LAST 12 MOS):	\$0.480

FUND STATISTICS

EFFECTIVE DURATION: ^C	0.4 Years
AVERAGE MATURITY:	4.9 Years
30-DAY SEC YIELD:	7.20%
30-DAY SEC YIELD: (UNSUBSIDIZED)	6.97%

EXPENSES

TOTAL FUND OPERATING EXPENSES:	0.92% ^D
WITH EXPENSE CAP:	0.70%

PORTFOLIO MANAGEMENT

	Years of Experience
Kristin J. Ceva, PhD, CFA	30
James T. Wong, CFA	30
Timothy J. Crawmer	22
Alfred Giles, CFA	20
Jordan H. Lopez, CFA	18
Nicholas Burns, CFA	11

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

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 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 equity, fixed-income and balanced portfolios as well as open-end mutual funds and offshore funds, to a varied client base around the world. While we have grown and expanded considerably since our inception, we remain committed to our mission of providing customized investment management services that focus 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

ASSET MIX

Bank Loans	82%
Corporate Bonds	7%
Asset Backed Securities	6%
Cash	4%
Other	1%

CREDIT ALLOCATION^E

AAA	4%
BBB	5%
BB	44%
B	41%
CCC	2%
Unrated	4%

TOP-10 HOLDINGS

Informatica	1.3%
Aggreko	1.2%
Flynn Restaurant	1.2%
II-VI	1.2%
Scientific Games International	1.2%
CDK Global	1.0%
Perrigo Co Ltd	1.0%
CSAM Floater	1.0%
Trans Union	1.0%
Tacala	0.9%

Market

- » The Credit Suisse BB Institutional Leveraged Loan Index returned +3.6% in the fourth quarter. Compared to this return, high-yield and high-grade bonds returned +4.1% and +3.5%, respectively.
- » Loan issuance in the fourth quarter was \$45 billion gross of refinancing. 2022 loan issuance of \$253 billion (\$163 billion net of refinancing and repricing) is down -70% (60% net) compared to 2021.
- » The loan default rate was 1.6% over the trailing 12 months.

Outlook

- » Loans were among the best performing asset classes in 2022 thanks in part to their floating rate feature. Nonetheless, higher interest costs associated with higher rates and wider spreads (i.e., the yield on loans in excess of their reference index rate) may have a disproportionate impact on loan issuers, in particularly the lower-quality, more highly-leveraged segment of the market.
- » Financial health remains critical as the risk of a recession is above average. Issuers with strong balance sheets should be in a better position to weather economic headwinds than issuers with more leverage and fewer levers to avoid financial distress.
- » Yields in the 10% context offer an income cushion against potential spread widening (i.e., loan yields rising in excess of their reference index rate), offering investors a margin of safety as macroeconomic volatility remains elevated.



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.

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. 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.