

DECEMBER 31, 2022

Investment Strategy

The Payden Low Duration Fund seeks income and capital appreciation while avoiding the volatility of longer-maturity bond funds. The fund is primarily comprised of U.S. Government securities, investment-grade and high-yield corporate bonds, mortgage- and asset-backed securities. Under normal market conditions, the fund's maximum average portfolio maturity (on a dollar-weighted basis) is four years. The fund will hold a minimum of 75% in investment-grade securities.

Fund Highlights

- » Invests primarily in short-term, fixed income securities with a minimum of 75% rated investment-grade
- » Primarily comprised of U.S. Government securities, investment-grade and high-yield corporate bonds, mortgage- and asset-backed securities
- » Incorporates active duration, curve and currency exposure management
- » No loads or 12b-1 fees (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 (01-01-94)
PAYDEN LOW DURATION FUND	-3.41%	-3.41%	-0.04%	0.99%	0.99%	3.25%
ICE BOFA 1-3 YEAR US TREASURY INDEX	-3.65%	-3.65%	-0.40%	0.77%	0.67%	3.04%

Calendar-Year Returns

2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
-3.41%	-0.05%	3.45%	4.12%	1.01%	1.47%	1.85%	0.43%	0.71%	0.46%

FUND DESCRIPTION

CLASS:	Investor
FUND INCEPTION:	Jan 01, 1994
TICKER:	PYSBX
CUSIP:	704329200
TOTAL NET ASSETS:	\$1.2 Billion
INVESTMENT MINIMUM: ^B	\$5,000
IRA MINIMUM: ^B	\$2,000
DIVIDENDS PAID:	Monthly
DIVIDENDS (LAST 12 MOS):	\$0.178

FUND STATISTICS

EFFECTIVE DURATION: ^C	1.6 Years
AVERAGE MATURITY:	2.1 Years
30-DAY SEC YIELD:	4.35%
30-DAY SEC YIELD: (UNSUBSIDIZED)	4.23%

EXPENSES

TOTAL FUND OPERATING EXPENSES:	0.51% ^D
WITH EXPENSE CAP:	0.43%

PORTFOLIO MANAGEMENT

	Years of Experience
Brian W. Matthews, CFA	40
Mary Beth Syal, CFA	37
David P. Ballantine, CFA, CFP	33
Nigel Jenkins, ASIP	33
Kerry G. Rapanot, CFA	26
Adam Congdon, CFA	16

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 for investors who desire a high average credit quality and potential for returns greater than cash alternatives, with some fluctuation in net asset value (NAV).

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

SECTOR ALLOCATION

Government/Gov't Related	33%
Corporates	31%
Asset-Backed	19%
Mortgage-Backed	15%
Other	2%

CREDIT ALLOCATION^E

AAA	55%
AA	5%
A	15%
BBB	17%
BB	5%
Unrated	3%

DURATION ALLOCATION

0-1 yr	33%
1-3 yrs	65%
3-10 yrs	2%

Market

- » Duration positioning remained defensively short throughout the month, though it extended modestly as market pricing aligned more closely with our expectations for terminal policy rates.
- » We maintain an overweight to a diversified mix of credit sectors for income generation. Exposure to credit has declined over the year and is currently at the lower end of historical positioning.
- » Total U.S. investment-grade supply finished at just under \$9 billion. This is the second-lightest monthly issuance on record after December 2018. We maintain an up-in-quality bias as we expect restrictive policy to continue to weigh on risk assets.

Outlook

- » Looking through short- and medium-term volatility, we see fundamental drivers of market instability moderating. Amidst normalizing gasoline prices, China reopening, and the Federal Reserve at the tail end of its tightening cycle, we expect intermediate bond yields (3- and 5-year U.S. Treasury notes) to move sideways to marginally lower.
- » With higher starting yields, the carry of the portfolio provides a larger buffer against further increases in rates. Our portfolios remain conservative versus relative benchmarks with ample liquidity, shorter durations, and an up-in-quality mix of credit sectors.



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 0.43%. This agreement has a one-year term ending February 28, 2023. Please note that the 0.43% 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 Paydenfunds are distributed through Payden & Rygel Distributors, member FINRA.