

JUNE 30, 2025

Investment Strategy

The Payden Core Bond Fund invests in a diversified mix of bonds across a wide spectrum of sectors and maturities. It utilizes the entire range of maturities from cash instruments to 30-year bonds, investing in sectors, such as, sovereign bonds, corporates, mortgage-backed securities and asset-backed securities. There is some use of below investment-grade bonds for their added yield and diversification. The fund has a moderate degree of expected price volatility given its longer-duration profile.

Fund Highlights

- » Bond selection is driven by extensive credit research.
- » Diversified portfolio holdings.
- » Investments allocated across the 1-year to 30-year maturity spectrum.
- » 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 (12-31-93)
PAYDEN CORE BOND FUND	3.95%	6.60%	3.34%	0.10%	2.08%	4.27%
BLOOMBERG U.S. AGGREGATE BOND INDEX	4.02%	6.08%	2.55%	-0.73%	1.76%	4.37%

Calendar-Year Returns

2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
2.53%	6.57%	-13.55%	-1.00%	6.93%	9.27%	-1.26%	5.25%	3.66%	0.82%

FUND DESCRIPTION

CLASS:	Investor
FUND INCEPTION:	Dec 31, 1993
TICKER:	PYCBX
CUSIP:	704329408
TOTAL NET ASSETS:	\$853.4 Million
INVESTMENT MINIMUM: ^B	\$100,000
IRA MINIMUM: ^B	\$100,000
DIVIDENDS PAID:	Monthly
DIVIDENDS (LAST 12 MOS):	\$0.419

FUND STATISTICS

EFFECTIVE DURATION: ^C	6.2 Years
AVERAGE MATURITY:	6.7 Years
30-DAY SEC YIELD: ^D	4.77%

EXPENSES

TOTAL FUND OPERATING EXPENSES:	0.53%
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PORTFOLIO MANAGEMENT

	Years of Experience
Brian W. Matthews, CFA	42
Michael E. Salvay, CFA	41
Mary Beth Syal, CFA	40
Nigel Jenkins, ASIP	36
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 or call 800 572-9336.

Role In Portfolio

Intermediate-Term Bond – Appropriate as a core fixed-income holding for investors seeking exposure to a diversified bond portfolio.

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)

Portfolio Characteristics & Market Commentary

SECTOR ALLOCATION

Corporates	37%
Mortgage-Backed	34%
Government/Gov't Related	15%
Asset-Backed	9%
Other	5%

CREDIT ALLOCATION^E

AAA	12%
AA	41%
A	10%
BBB	24%
BB	8%
B	2%
Unrated	3%

DURATION ALLOCATION

0-1 yr	13%
1-3 yrs	17%
3-5 yrs	26%
5-7 yrs	23%
7-10 yrs	15%
10+ yrs	6%

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.

Payden Funds

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 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. ^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.