

MARCH 31, 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<sup>A</sup>

MONTHLY	YTD	1 YEAR	3 YEAR	5 YEAR	10 YEAR	SINCE INCEPTION (12-31-93)
PAYDEN CORE BOND FUND	2.57%	5.47%	0.88%	0.89%	1.80%	4.26%
BLOOMBERG U.S. AGGREGATE BOND INDEX	2.78%	4.88%	0.52%	-0.40%	1.46%	4.36%

### 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:	\$896.8 Million
INVESTMENT MINIMUM: <sup>B</sup>	\$100,000
IRA MINIMUM: <sup>B</sup>	\$100,000
DIVIDENDS PAID:	Monthly
DIVIDENDS (LAST 12 MOS):	\$0.430

### FUND STATISTICS

EFFECTIVE DURATION: <sup>C</sup>	6.1 Years
AVERAGE MATURITY:	7.2 Years
30-DAY SEC YIELD:	4.81%

### 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](http://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:** \$165 billion  
(as of 03/31/25)

## Portfolio Characteristics & Market Commentary

### SECTOR ALLOCATION

Mortgage-Backed	37%
Corporates	34%
Government/Gov't Related	14%
Asset-Backed	8%
Other	4%
Municipal Bonds	3%

### CREDIT ALLOCATION<sup>D</sup>

AAA	52%
AA	5%
A	7%
BBB	22%
BB	6%
B	4%
Unrated	4%

### DURATION ALLOCATION

0-1 yr	13%
1-3 yrs	16%
3-5 yrs	21%
5-7 yrs	23%
7-10 yrs	14%
10+ yrs	13%

## Market

- » March continued to reflect the potential decline of "U.S. exceptionalism" that has defined the post-pandemic recovery. While U.S. economic indicators, largely showing signs of weakness, pointed to a slowdown, Europe demonstrated unexpected resilience, suggesting a possible shift in global economic momentum. As a result, equity markets closed lower, and bond yields showed mixed performance across regions amid these changing dynamics.
- » Throughout the month, President Trump made several announcements regarding potential tariffs, set to be revealed on the 2nd of April, which fueled a risk-off sentiment. Notably, this included a 25% tariff on imported vehicles, in addition to existing tariffs on steel, aluminum, and Chinese goods. Alongside investors waiting for policy clarity, economic data painted a concerning picture: the core personal consumption expenditures (PCE) price index inflation increased to 2.8% year-over-year in February, while manufacturing activity unexpectedly contracted, with the purchasing manager's index (PMI) falling to 49.8 in March. Labor markets showed signs of cooling, with non-farm payrolls adding just 151,000 jobs. The ADP National Employment Report indicated a significant underperformance in private sector hiring at 77,000, which was attributed to policy uncertainty and a slowdown in consumer spending. The Federal Reserve kept rates at 4.25%-4.50%, with Chair Powell surprisingly describing inflation as "transitory" despite upward revisions to inflation projections. The S&P 500 declined 5.75% over the month, with the 10-year U.S. Treasury yield ending at 4.21%.

## Outlook

- » The narrative around U.S. exceptionalism has lost some momentum recently, as concerns about U.S. growth have increased. Softer economic indicators, uncertainties around the impacts of tariffs, and the influence of the Department of Government Efficiency (DOGE) on growth and the labor market have weighed on U.S. activity and growth expectations. As our central case, we still believe the U.S. will experience trend-like growth over the medium term but recognize that the risks to growth are tilted to the downside. Consequently, we have increased the probability of seeing subpar growth going forward.
- » Over the medium term, we expect the macroeconomic and fundamental backdrop to generally remain supportive of risk assets. However, given the recent broadening of potential outcomes, the relatively muted reaction seen in risk assets so far, and the tightness of current valuations, we continue to favor a cautious approach.

# Payden Funds

## FOOTNOTES

<sup>A</sup> Returns less than one year are not annualized. <sup>B</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>C</sup> Effective duration is a measure of the Fund's price sensitivity to changes in interest rates. <sup>D</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.