PAYDEN LIMITED MATURITY FUND (PYLMX)

Payden Funds

SEPTEMBER 30, 2025

Investment Strategy

The Payden Limited Maturity Fund seeks to outperform current money market rates by utilizing short-term securities that are primarily investment-grade. The fund is primarily comprised of U.S. government securities, investment-grade corporate bonds, mortgage- and asset-backed securities and money markets. The maximum average portfolio maturity is two and one-half years.

Fund Highlights

- Invests primarily in high-quality, short-term securities.
- Low annual expense ratio.[A]
- No loads (other fees apply).
- Seeks to earn a higher yield than a traditional money market fund.[B]
- The value of an investment will generally fall when interest rates rise.

FUND DESCRIPTION

CLASS:	Investor
FUND INCEPTION:	Apr 29, 1994
TICKER:	PYLMX
CUSIP:	704329606
TOTAL NET ASSETS:	$2.1 Billion
INVESTMENT MINIMUM:[D]	$100,000
IRA MINIMUM:[D]	$100,000
DIVIDENDS PAID:	Monthly
DIVIDENDS (LAST 12 MOS):	$0.488

FUND STATISTICS

EFFECTIVE DURATION:[E]	0.7 Years
AVERAGE MATURITY:	1.4 Years
30-DAY SEC YIELD:[F]	4.53%
30-DAY SEC YIELD:[G] (UNSUBSIDIZED)	4.33%

Performance[C]

MONTHLY	YTD	1 YEAR	3 YEAR	5 YEAR	10 YEAR	SINCE INCEPTION (04-29-94)
PAYDEN LIMITED MATURITY FUND	3.98%	5.23%	5.80%	3.51%	2.68%	2.91%
ICE BOFA U.S. 3-MONTH TREASURY BILL INDEX	3.17%	4.38%	4.76%	2.97%	2.08%	2.57%

EXPENSES

TOTAL FUND OPERATING EXPENSES:	0.52%[H]
WITH EXPENSE CAP:	0.30%

Calendar-Year Returns

2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
6.07%	6.22%	0.55%	0.31%	1.84%	3.35%	1.78%	1.64%	1.34%	0.30%

PORTFOLIO MANAGEMENT

	Years of Experience
Mary Beth Syal, CFA	40
Nigel Jenkins, ASIP	36
Kerry G. Rapanot, CFA	29
Adam M. Congdon, 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 or call 800 572-9336.

Role In Portfolio

Ultra Short-Term Bond – Appropriate for investors who desire yields greater than money market funds while maintaining a high degree of liquidity, but can tolerate fluctuations in the net asset value (NAV).

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: $166 billion (as of 09/30/25)

Payden Funds

Portfolio Characteristics & Market Commentary

SECTOR ALLOCATION

Corporates	40%
Asset-Backed	25%
Mortgage-Backed	19%
Money Markets	14%
Government/Gov't Related	2%

CREDIT ALLOCATION[I]

AAA	38%
AA	29%
A	19%
BBB	9%
BB	4%
Unrated	1%

DURATION ALLOCATION

0-1 yr	67%
1-3 yrs	32%
3-5 yrs	1%

Market

- After a nine-month pause, the Federal Reserve (Fed) resumed rate cuts in September, lowering the federal funds rate by 25 basis points (bps) to 4.00%-4.25%. The move was driven by a softening labor market, even though inflation remains above the 2% target. The bond market had largely anticipated this move. Yields on maturities less than 1 year fell sharply, while longer-term yields (from 2- to 30-year bonds) moved only 5-8 bps lower, causing the curve to steepen. By quarter-end, market pricing suggested expectations for one to two additional rate cuts in 2025, broadly in line with the Fed's forecast for reductions of 25 bps at the October and December meetings.
- The Secured Overnight Financing Rate (SOFR) – a measure of the overnight secured borrowing rate in the U.S. – ended the month lower, closing at 4.13%. At month-end, the 3-month term SOFR rate was 3.99%, and the 3-month U.S. Treasury bill closed at 3.93%.
- Credit markets continue to show little sign of stress. After the sharp rise in borrowing costs for riskier debt seen in April, following the initial tariff scare, the extra return investors demand to hold corporate and securitized bonds instead of U.S. Treasuries has steadily declined. Today, both corporate and securitized yields are near some of the lowest levels seen historically. With the Fed cutting rates again and the economy still showing resilience, there is little reason for those risk premiums to rise meaningfully in the near term.

Outlook

- Given that credit and liquidity premiums are near multi-year lows, we are selective in adding exposure. In the corporate market, we favor stronger, higher-quality companies. We are taking a similar approach with securitized bonds, choosing those with stronger deal structures and higher-rated collateral behind them. We are also maintaining slightly longer maturities in our portfolios compared to our benchmark. The timing, pace, and magnitude of rate cuts will be important for investors to gauge over the rest of the year.

FOOTNOTES

[A] Expenses are lower than 70% of the funds reporting expense ratios included in the Morningstar U.S. Ultrashort Bond Category as of March 2025. [B] This is not a money market fund. The share price will fluctuate. [C] Returns less than one year are not annualized. [D] 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. [E] Effective duration is a measure of the Fund's price sensitivity to changes in interest rates. [F] 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. [G] Represents a 30-day SEC yield without adjusting for fee waivers or expense reimbursements. [H] Payden & Rygel has contractually agreed to limit Total Annual Fund Operating Expenses After Fee Waiver or Expense Reimbursement to 0.30%. This agreement has a one-year term ending February 28, 2026. Please note that the 0.30% expense level does not include Acquired Fund Fees and Expenses, interest, taxes, and extraordinary expenses. [I] 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.