

SEPTEMBER 30, 2024

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:	\$2.0 Billion
INVESTMENT MINIMUM: ^D	\$100,000
IRA MINIMUM: ^D	\$100,000
DIVIDENDS PAID:	Monthly
DIVIDENDS (LAST 12 MOS):	\$0.516

FUND STATISTICS

EFFECTIVE DURATION: ^E	0.5 Years
AVERAGE MATURITY:	1.4 Years
30-DAY SEC YIELD:	5.31%
30-DAY SEC YIELD: (UNSUBSIDIZED)	5.10%

EXPENSES

TOTAL FUND OPERATING EXPENSES:	0.48% ^F
WITH EXPENSE CAP:	0.30%

PORTFOLIO MANAGEMENT

	Years of Experience
Mary Beth Syal, CFA	39
Nigel Jenkins, ASIP	35
Kerry G. Rapanot, CFA	28
Adam M. Congdon, CFA	13

Performance^C

MONTHLY	YTD	1 YEAR	3 YEAR	5 YEAR	10 YEAR	SINCE INCEPTION (04-29-94)
PAYDEN LIMITED MATURITY FUND	4.81%	6.78%	3.82%	2.84%	2.19%	2.83%
ICE BOFA US 3-MONTH TREASURY BILL INDEX	4.03%	5.46%	3.49%	2.32%	1.65%	2.51%

Calendar-Year Returns

2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
6.22%	0.55%	0.31%	1.84%	3.35%	1.78%	1.64%	1.34%	0.30%	0.58%

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: \$164 billion
(as of 09/30/24)

Portfolio Characteristics & Market Commentary

SECTOR ALLOCATION

Corporates	41%
Asset-Backed	31%
Money Markets	15%
Mortgage-Backed	13%

CREDIT ALLOCATION⁶

AAA	53%
AA	11%
A	21%
BBB	10%
BB	4%
B	1%

DURATION ALLOCATION

0-1 yr	82%
1-3 yrs	17%
3-5 yrs	1%

Market

- » After holding rates steady in July, the Federal Reserve (Fed) initiated the interest rate cutting cycle in September, reducing the benchmark interest rate by 50 basis points (bps) to a target range of 4.75%-5.00%. Chairman Powell cited confidence that target inflation is in sight and that the economy has cooled sufficiently, making it appropriate to ease monetary policy. Through the "dot plot," the Fed signaled an additional 50 bps of rate cuts by the end of the year. Although market expectations remain more aggressive, pricing in closer to 75 bps of cuts, the divergence between market pricing and Fed projections has narrowed.
- » The Secured Overnight Financing Rate (SOFR) – a measure of the overnight secured borrowing rate – was 37 bps lower over the quarter, closing at 4.96%. At quarter-end, the three-month term SOFR rate was 4.59%, and the three-month U.S. Treasury bill closed lower at 4.63%.
- » Total U.S. investment-grade corporate issuance for the third quarter was \$403 billion. This exceeded expectations yet was well digested with credit yields above similar-maturity U.S. Treasuries moving lower over the quarter.

Outlook

- » Looking ahead, our primary focus will be the timing and pace of rate cuts. While the direction of rates is clear, the pace and magnitude of the cutting cycle will remain data dependent. Although we acknowledge that the lagged effects of restrictive monetary policy could cause additional stress on the economy, we currently do not foresee the need for the Fed to accelerate the pace of rate reductions. We continue to favor a high-quality tilt in our credit positioning, and do not view current risk premiums as an attractive starting place to increase credit exposure.

Payden Funds

FOOTNOTES

^A Expenses are lower than 68% of the funds reporting expense ratios included in the Morningstar U.S. Ultra Short Bond Category as of April 2024. ^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 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, 2025. Please note that the 0.30% expense level does not include Acquired Fund Fees and Expenses, interest, taxes, and extraordinary expenses. ^G 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.