

DECEMBER 31, 2021

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 or 12b-1 fees (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

Performance^C

MONTHLY	YTD	1 YEAR	3 YEAR	5 YEAR	10 YEAR	SINCE INCEPTION (05-02-94)
PAYDEN LIMITED MATURITY FUND	0.31%	0.31%	1.82%	1.78%	1.34%	2.70%
ICE BOFA 3-MONTH US TREASURY BILL INDEX	0.05%	0.05%	0.99%	1.14%	0.63%	2.38%

Calendar-Year Returns

2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
0.31%	1.84%	3.35%	1.78%	1.64%	1.34%	0.30%	0.58%	0.48%	1.83%

FUND DESCRIPTION

CLASS:	Investor
FUND INCEPTION:	May 02, 1994
TICKER:	PYLMX
CUSIP:	704329606
TOTAL NET ASSETS:	\$2.2 Billion
INVESTMENT MINIMUM: ^D	\$5,000
IRA MINIMUM: ^D	\$2,000
DIVIDENDS PAID:	Monthly
DIVIDENDS (LAST 12 MOS):	\$0.042

FUND STATISTICS

EFFECTIVE DURATION: ^E	0.5 Years
AVERAGE MATURITY:	1.2 Years
30-DAY SEC YIELD:	0.55%
30-DAY SEC YIELD: (UNSUBSIDIZED)	0.31%

EXPENSES

TOTAL FUND OPERATING EXPENSES:	0.54% ^F
WITH EXPENSE CAP:	0.25%

PORTFOLIO MANAGEMENT

	Years of Experience
Brian W. Matthews, CFA	39
Mary Beth Syal, CFA	36
David P. Ballantine, CFA, CFP	32
Kerry G. Rapanot, CFA	25

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 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: \$152 billion
(as of 12/31/21)

Portfolio Characteristics & Market Commentary

SECTOR ALLOCATION

Corporates	47%
Asset-Backed	25%
Money Markets	14%
Mortgage-Backed	12%
Government/Gov't Related	2%

CREDIT ALLOCATION^G

AAA	45%
AA	9%
A	21%
BBB	19%
BB	5%
Unrated	1%

DURATION ALLOCATION

0-1 yr	79%
1-3 yrs	22%
3-5 yrs	-1%

Market

- » As market pricing of the hiking cycle was pulled forward, the front-end of the U.S. Treasury curve steepened, while the long end flattened.
- » The Secured Overnight Financing Rate (SOFR) remained unchanged at 0.05%. Three-month SOFR increased to 0.09%, and the three-month U.S. Treasury bill closed lower at 0.04%.
- » Total U.S. investment-grade corporate issuance was \$63 billion in December, slightly exceeding street expectations of \$50 billion.

Outlook

- » We have been reticent to add to higher yielding, longer maturity assets as we anticipate rising rates and growing volatility from exogenous market forces.
- » December was a strong month for high yield, as positive high-yield credit fundamentals and active management should support the portfolio's yield advantage and enhance the income component of the total return. We utilized corporate issuance to optimize positioning and increased floating-rate securities to generate portfolio income without extending duration. We continue to put capital to work, proactively participating in both asset-backed securities and corporate new issues. The steeper front-end curve should ultimately provide more attractive total return potential. The key will be patience as the Federal Reserve transitions to normalizing interest rates and allowing for the market to digest the path and magnitude of future rate hikes.



FOOTNOTES

^A Expenses are lower than 83% of the funds reporting expense ratios included in the Morningstar U.S. Ultra Short Bond Category as of January 2022. ^B NAV is not held at \$1.00. ^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. Paydenfund's 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 0.25%. This agreement has a one-year term ending February 28, 2022. Please note that the 0.25% 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 Paydenfunds are distributed through Payden & Rygel Distributors, member FINRA.