

MARCH 31, 2024

Investment Strategy

The Payden Equity Income Fund invests primarily in large-capitalization common stocks with above-average dividend yields and other income-producing securities such as preferred stocks, master limited partnerships (MLPs), and real estate investment trusts (REITs). The fund focuses on companies that have strong fundamentals and are expected to achieve positive earnings and dividend growth.

Fund Highlights

- » The Fund seeks to provide current income and equity-market participation through a variety of stocks, sectors, and security types such as common and preferred stocks, MLPs, and REITs.
- » The Fund seeks to achieve lower volatility and better risk-adjusted returns than competitors and the broad market overall.^A

Performance^B

| MONTHLY | YTD | 1 YEAR | 3 YEAR | 5 YEAR | 10 YEAR | SINCE INCEPTION (08-01-14) |
|------------------------------------|-------|--------|--------|--------|---------|----------------------------|
| PAYDEN EQUITY INCOME FUND SI CLASS | 9.03% | 18.86% | 6.78% | 8.62% | – | 8.86% |
| RUSSELL 1000 VALUE INDEX | 8.99% | 20.24% | 8.07% | 10.27% | – | 8.94% |

Calendar-Year Returns

| 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|-------|--------|--------|-------|--------|--------|--------|--------|-------|-------|
| 5.46% | -6.66% | 23.36% | 0.84% | 28.03% | -6.61% | 15.92% | 15.05% | 1.90% | 4.75% |

FUND DESCRIPTION

| | |
|----------------------------------|---------------|
| CLASS: | SI |
| FUND INCEPTION: | Aug 01, 2014 |
| TICKER: | PYVSX |
| CUSIP: | 704329135 |
| TOTAL NET ASSETS: | \$1.3 Billion |
| INVESTMENT MINIMUM: ^C | \$10,000,000 |
| IRA MINIMUM: ^C | \$10,000,000 |
| DIVIDENDS PAID: | Quarterly |
| DIVIDENDS (LAST 12 MOS): | \$0.271 |

FUND STATISTICS

| | |
|---------------------------------------|--------------------|
| BETA ^D | 0.8 |
| PRICE-TO-BOOK RATIO ^E | 3.2x ^I |
| PRICE-TO-CASH-FLOW RATIO ^F | 12.4x ^I |
| PRICE-TO-EARNINGS RATIO ^G | 21.2x ^I |
| WEIGHTED AVG MARKET CAP ^H | \$330.7 B |

EXPENSES

| | |
|--------------------------------|--------------------|
| TOTAL FUND OPERATING EXPENSES: | 0.73% ^J |
| WITH EXPENSE CAP: | 0.65% |

PORTFOLIO MANAGEMENT

| | Years of Experience |
|----------------------------|---------------------|
| James T. Wong, CFA | 32 |
| Natalie N. Trevithick, CFA | 27 |
| Alfred Giles III, CFA | 23 |
| Micheal Huynh, CFA | 20 |

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

Large-Capitalization Value – Appropriate for conservative equity investors who seek current income and moderate exposure to equity markets.

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: \$162 billion
(as of 03/31/24)

FOOTNOTES

^A A risk-adjusted return measures the amount of total return per unit of risk. ^B Returns less than one year are not annualized. ^C 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. ^D Beta is a measure of sensitivity of a portfolio's movement versus that of the overall market. ^E Price-to-book is the current stock price divided by the book (net asset) value per share. ^F Price-to-cash-flow is the current stock price divided by the trailing 12-month cash flow per share. ^G Price-to-earnings is a stock's current price divided by next year's expected earnings per share. ^H Weighted average market capitalization is the market capitalization (number of outstanding shares multiplied by the current share price) of each holding weighted by its percentage allocated within the portfolio. ^I Multiples represent the common stock portion of the Fund only and exclude preferred stock, real estate investment trusts and master limited partnerships. ^J Payden & Rygel has contractually agreed to limit Total Annual Fund Operating Expenses After Fee Waiver or Expense Reimbursement to 0.65%. This agreement has a one-year term ending February 28, 2025. Please note that the 0.65% expense level does not include Acquired Fund Fees and Expenses, interest, taxes, and extraordinary expenses.

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. Investing in equity securities poses certain risks, including a sudden decline in a holding's share price, or an overall decline in the stock market. The value of the Fund's investment in any such securities will fluctuate on a day-to-day basis with movements in the stock market, as well as in response to the activities of individual companies whose equity securities the Fund owns. Fund price may fall when the U.S. stock market declines. Moreover, purchasing stocks perceived to be undervalued brings additional risks. For example, the issuing company's condition may worsen instead of improve, or the pace and extent of any improvement may be less than expected. 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. The Payden Funds are distributed through Payden & Rygel Distributors, member FINRA.

Portfolio Characteristics & Market Commentary

| SECTOR ALLOCATION | | SECURITY TYPE ALLOCATION | | TOP-10 STOCK HOLDINGS | |
|------------------------|-----|-----------------------------|-----|------------------------|------|
| Financials | 22% | Common Stock | 92% | Exxon Mobil | 2.9% |
| Industrials | 13% | REIT | 4% | JPMorgan Chase | 2.9% |
| Health Care | 11% | Master Limited Partnerships | 3% | Walmart | 2.7% |
| Technology | 11% | Preferred Stock | 1% | Arthur J Gallagher | 2.3% |
| Energy | 10% | | | Microsoft | 2.0% |
| Consumer Discretionary | 8% | | | Emerson Electric | 2.0% |
| Consumer Staples | 8% | | | Visa | 1.9% |
| Communication Services | 7% | | | Verizon Communications | 1.8% |
| Materials | 4% | | | Wells Fargo | 1.8% |
| Real Estate | 4% | | | L3Harris Technologies | 1.7% |
| Utilities | 2% | | | | |

Market

- » U.S. equities rose sharply for the first quarter (S&P 500: +10.6%) on better-than-expected fourth-quarter corporate earnings results and U.S. economic growth, despite higher interest rates.
- » The equity rally saw an increase in market participation as both growth stocks (+11.4%) and value stocks (+9.0%) posted strong returns, supported by strong growth prospects from artificial intelligence and higher commodity prices.
- » All but one sector posted gains for the quarter with communications (+15.8%), energy (+13.7%), and technology (+12.7%) leading markets higher, while real estate (-0.6%), utilities (+4.6%), and consumer discretionary (+5.0%) were the market laggards.

Outlook

- » We expect the U.S. economy to further expand and corporate earnings to reaccelerate over the next 12 months, continuing to support higher equity prices.
- » We believe investors will likely be focusing more on macro-related concerns (Federal Reserve policy, U.S. Presidential election) in the coming quarter, which may lead to an increase market volatility.
- » With equity valuations above historical average, we anticipate a greater emphasis on corporate fundamentals going forward which benefits value-oriented and equity income companies with strong cash flows and healthy balance sheets.