

JUNE 30, 2025

Investment Strategy

The Payden Emerging Markets Bond Fund invests in a diversified portfolio of emerging-market sovereign and corporate bonds. The fund invests in countries that are identified through extensive analysis of their macroeconomic variables, sovereign credit ratios, political stability, and the quality of the country's business environment. The fund maintains geographic diversification across Latin America, Europe and Asia. Most of our investments are U.S. dollar-denominated, but we also see attractive opportunities in select local markets.

Fund Highlights

- » Primarily sovereign focus - opportunistic exposure in corporates.
- » Managed by Payden & Rygel with over 20 years of experience managing emerging-market portfolios.
- » Local markets expertise - opportunistic exposure to local markets.
- » Pure bond strategy - limited use of credit default swaps or distressed debt.
- » The value of an investment will generally fall when interest rates rise.

Performance^A

| MONTHLY | YTD | 1 YEAR | 3 YEAR | 5 YEAR | 10 YEAR | SINCE INCEPTION (12-17-98) |
|--|-------|-----------|-----------|-----------|------------|----------------------------------|
| PAYDEN EMERGING MARKETS BOND FUND | 5.72% | 11.17% | 10.22% | 2.70% | 3.76% | 7.54% |
| J.P. MORGAN EMBI GLOBAL DIVERSIFIED INDEX | 5.64% | 9.97% | 8.85% | 1.79% | 3.53% | 7.67% |

Calendar-Year Returns

| 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|-------|--------|---------|--------|-------|--------|--------|--------|--------|--------|
| 7.91% | 12.09% | -17.37% | -2.22% | 6.17% | 16.41% | -7.03% | 12.00% | 11.45% | -0.84% |

FUND DESCRIPTION

| | |
|----------------------------------|-----------------|
| CLASS: | Investor |
| FUND INCEPTION: | Dec 17, 1998 |
| TICKER: | PYEMX |
| CUSIP: | 704329531 |
| TOTAL NET ASSETS: | \$865.3 Million |
| INVESTMENT MINIMUM: ^B | \$100,000 |
| IRA MINIMUM: ^B | \$100,000 |
| DIVIDENDS PAID: | Monthly |
| DIVIDENDS (LAST 12 MOS): | \$0.793 |

FUND STATISTICS

| | |
|----------------------------------|------------|
| EFFECTIVE DURATION: ^C | 6.5 Years |
| AVERAGE MATURITY: | 10.4 Years |
| 30-DAY SEC YIELD: ^D | 7.25% |

EXPENSES

| | |
|-----------------------------------|-------|
| TOTAL FUND OPERATING EXPENSES: | 0.74% |
|-----------------------------------|-------|

PORTFOLIO MANAGEMENT

| | Years of Experience |
|---------------------------|---------------------|
| Kristin J. Ceva, PhD, CFA | 36 |
| Nigel Jenkins, ASIP | 36 |
| Arthur Hovsepian, CFA | 30 |
| Zubin V. Kapadia, CFA | 21 |

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

Appropriate for investors with long investment time horizons who seek diversification via sovereign and corporate bonds issued by emerging-market countries.

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: \$160 billion
(as of 06/30/25)

Payden Funds

FOOTNOTES

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

Portfolio Characteristics & Market Commentary

SECTOR ALLOCATION

| | |
|--------------------------|-----|
| Government/Gov't Related | 89% |
| Corporates | 10% |
| Money Markets | 1% |

CREDIT ALLOCATION^E

| | |
|---------|-----|
| AAA | 1% |
| AA | 6% |
| A | 3% |
| BBB | 35% |
| BB | 29% |
| B | 16% |
| CCC | 8% |
| C | 1% |
| Unrated | 1% |

TOP-10 COUNTRY ALLOCATION

| | |
|--------------|------|
| Brazil | 7.3% |
| Mexico | 7.2% |
| Peru | 5.3% |
| Hungary | 4.3% |
| South Africa | 4.1% |
| Turkey | 4.0% |
| Argentina | 3.7% |
| Colombia | 3.3% |
| Indonesia | 3.3% |
| Egypt | 3.2% |

Market

» Emerging-markets (EM) debt indices posted positive returns, as a constructive backdrop for interest rate duration was complemented by a risk-supportive market tone. Yields on hard-currency sovereign and corporate credit narrowed by 0.12% and 0.06%, respectively, compared to similar-maturity U.S. Treasuries. In sovereigns, high-yield issuers outperformed their investment-grade peers, while corporate performance showed less variation between rating categories. EM local bond markets added to their robust performance thus far in 2025, with local interest rates shifting lower and currencies appreciating against the U.S. dollar.

Outlook

- » Overall, EM country fundamentals remain sound. EM growth has been steady, inflation is contained, and external accounts are in a healthy position, with limited signs of balance-of-payment pressure and comfortable foreign reserve levels. Over the past year, most EM central banks have been able to ease monetary policy, although they have taken a prudent approach, keeping a gap between policy rates and inflation.
- » Rising global trade tensions, particularly due to the United States' efforts to impose global trade barriers, have increased policy uncertainty. While EM countries vary in their exposure to U.S. trade, we believe the direct economic risks are manageable. However, risks to global growth are likely to tilt to the downside, energy prices are lower, and goods exports from China are prevalent. These factors, along with EM currency appreciation against a weaker U.S. dollar, may prove disinflationary. In this context, EM central banks should have space to respond to increased global volatility, if needed.
- » Looking ahead, two key structural forces continue to benefit EM debt investors: 1) stronger long-term growth prospects relative to developed markets, and 2) a broadening range of investment opportunities across roughly 90 countries, including sovereign, corporate, and local market bonds, spanning various geographies and sectors. In our view, EM debt offers investors useful diversification benefits, while yields are attractive for generating income over time.