

MARCH 31, 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 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<sup>A</sup>

MONTHLY	YTD	1 YEAR	3 YEAR	5 YEAR	10 YEAR	SINCE INCEPTION (12-17-98)
PAYDEN EMERGING MARKETS BOND FUND	1.85%	7.19%	3.63%	4.52%	3.34%	7.46%
J.P. MORGAN EMBI GLOBAL DIVERSIFIED INDEX	2.24%	6.75%	3.40%	3.49%	3.15%	7.62%

### 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:	\$839.3 Million
INVESTMENT MINIMUM: <sup>B</sup>	\$100,000
IRA MINIMUM: <sup>B</sup>	\$100,000
DIVIDENDS PAID:	Monthly
DIVIDENDS (LAST 12 MOS):	\$0.779

### FUND STATISTICS

EFFECTIVE DURATION: <sup>C</sup>	6.6 Years
AVERAGE MATURITY:	10.7 Years
30-DAY SEC YIELD:	7.12%

### EXPENSES

TOTAL FUND OPERATING EXPENSES:	0.74%
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### 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](http://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:** \$165 billion  
(as of 03/31/25)

## FOOTNOTES

<sup>A</sup> Returns less than one year are not annualized. <sup>B</sup> 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. <sup>C</sup> Effective duration is a measure of the Fund's price sensitivity to changes in interest rates. <sup>D</sup> 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](http://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	85%
Corporates	11%
Money Markets	4%

### CREDIT ALLOCATION<sup>D</sup>

AAA	4%
AA	6%
A	5%
BBB	33%
BB	28%
B	12%
CCC	10%
C	1%
Unrated	1%

### TOP-10 COUNTRY ALLOCATION

Brazil	6.5%
Mexico	5.9%
Peru	4.6%
Indonesia	4.2%
Turkey	4.1%
Colombia	4.0%
Argentina	3.7%
South Africa	3.7%
Dominican Republic	3.3%
Poland	3.3%

## Market

» Emerging-markets (EM) debt indices navigated various headwinds in March. In hard-currency sovereign and corporate credit, yields relative to similar-maturity U.S. Treasuries increased by 0.21% and 0.12%, respectively. Amid weaker risk sentiment, high-yield rated issuers tended to underperform investment-grade rated issuers. EM local bond markets outperformed during the month; although interest rates moved slightly higher, positive carry, along with EM currency appreciation against the U.S. dollar, lifted returns.

## Outlook

- » EM country fundamentals are generally sound. Overall, EM growth has been steady, while inflation is running near target levels. External accounts are in a good position, with limited balance-of-payment pressures and comfortable foreign exchange reserve levels. Additionally, China's economic headwinds have not weighed on other EM countries.
- » EM economies are benefiting from the credibility of central bank policies. In 2024, EM central banks began cutting policy rates, but they adopted a cautious approach, ensuring a buffer between their policy rates and inflation. As a result, central banks are safeguarding against financial instability, while demonstrating an ability to react nimbly to choppy global waters.
- » The immediate challenge for EM lies in policy uncertainty in the United States. This uncertainty revolves around the potential rising trade barriers, their impact on inflation and economic growth, and the subsequent effects on the U.S. dollar. While the shift in U.S. trade is not entirely new, trends such as re-shoring, increased South-South trade, and higher commodity prices have helped mitigate the negative impacts of increased protectionism. Overall, we view the risks for EM as balanced, with country differentiation likely playing an important role.
- » Two key structural forces that should continue to benefit EM debt investors are: 1) strong long-term growth prospects, and 2) a broadening of investment opportunities including sovereign, corporate, and local-market bonds across roughly 90 countries, spanning various geographies and sectors. In our view, EM debt offers investors useful diversification benefits, while today's elevated yields are attractive for generating income over time. EM debt also has value relative to peer sectors, with opportunities across different countries and sectors.