PAYDEN EMERGING MARKETS CORPORATE BOND FUND (PYCEX)

Payden Funds

SEPTEMBER 30, 2024

Investment Strategy

The Payden Emerging Markets Corporate Bond Fund invests in a diversified portfolio of emerging-market corporate bonds. The fund invests in companies that are identified through extensive global industry and company analysis, consistent with our sovereign views. 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

- Emerging Market corporate focus - opportunistic exposure to sovereigns and quasi-sovereigns.
- Managed by Payden & Rygel with 20 years of experience managing emerging-market portfolios.
- Corporate market expertise - dedicated credit analysts.
- 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 (11-11-13)
PAYDEN EMERGING MARKETS CORPORATE BOND FUND	8.47%	14.33%	0.92%	2.96%	3.63%	4.01%
J.P. MORGAN CEMBI BROAD DIVERSIFIED INDEX	8.50%	14.49%	1.06%	2.79%	3.99%	4.27%

Calendar-Year Returns

2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
7.36%	-11.02%	0.81%	8.17%	11.90%	-3.32%	9.13%	9.61%	-0.86%	4.74%

FUND DESCRIPTION

CLASS:	Investor
FUND INCEPTION:	Nov 11, 2013
TICKER:	PYCEX
CUSIP:	704329234
TOTAL NET ASSETS:	$87.8 Million
INVESTMENT MINIMUM:[B]	$5,000
IRA MINIMUM:[B]	$2,000
DIVIDENDS PAID:	Monthly
DIVIDENDS (LAST 12 MOS):	$0.532

FUND STATISTICS

EFFECTIVE DURATION:[C]	4.0 Years
AVERAGE MATURITY:	5.9 Years
30-DAY SEC YIELD:	6.07%
30-DAY SEC YIELD: (UNSUBSIDIZED)	5.83%

EXPENSES

TOTAL FUND OPERATING EXPENSES:	1.27%[D]
WITH EXPENSE CAP:	0.96%

PORTFOLIO MANAGEMENT

	Years of Experience
Kristin J. Ceva, PhD, CFA	35
Arthur Hovsepian, CFA	29
Alfred Giles III, CFA	23
Zubin V. Kapadia, 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

Appropriate for investors with long investment time horizons who seek diversification via 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: $164 billion (as of 09/30/24)

Payden Funds

Portfolio Characteristics & Market Commentary

SECTOR ALLOCATION

Corporates	87%
Government/Gov't Related	6%
Money Markets	4%
Other	3%

CREDIT ALLOCATION[E]

AAA	3%
AA	1%
A	6%
BBB	35%
BB	33%
B	18%
CCC	2%
Unrated	2%

DURATION ALLOCATION

0-1 yr	17%
1-3 yrs	24%
3-5 yrs	32%
5-7 yrs	15%
7-10 yrs	5%
10+ yrs	7%

Market

» The main emerging-markets (EM) debt indices continued to post positive returns in September, amid the constructive market tone surrounding the beginning of the U.S. Federal Reserve's (Fed's) monetary easing cycle. Yields on hard-currency sovereign and corporate credit narrowed relative to U.S. Treasury yields, which also trended lower. High-yield rated issuers modestly outperformed their investment-grade rated peers. Local debt markets saw strong gains, as currencies broadly appreciated against the U.S. dollar, while interest rates declined.

Outlook

» Developed-country central banks, now including the Fed, appear to be firmly in monetary easing mode. Markets expect policy rates in most developed countries to move lower over the balance of 2024, and through 2025, following a journey already begun by many EM central banks. The speed and magnitude of easing remain topics of debate globally, as data on inflation and economic activity are mixed across countries. A few EM central banks have approached rate cuts cautiously, based on country-specific factors.

» Broadly speaking, economic growth has been steady in EM countries, and has outperformed developed countries, helped by the resilience of the private sector. A reasonable growth backdrop, combined with lower inflation and lower interest rates, has created a constructive backdrop for EM assets. In China, where growth faces persistent headwinds, the authorities are now implementing a stimulus response, although the effectiveness of the measures remains uncertain.

» We believe systemically important EM countries and EM corporates have managed volatility well. That said, we remain alert to global and country-specific risks. Renewed bouts of inflationary pressure, a sharp growth slowdown, and/or geopolitical risks, may generate volatility. The implications of numerous 2024 elections – with increasing focus on the hard-to-predict U.S. election in November – should also be closely watched.

» In our view, EM debt offers investors useful diversification benefits, while elevated yields have historically generated attractive long-run income. Market technicals have been favorable in 2024, with healthy EM primary markets met by global demand for fixed income. EM debt offers value relative to peer sectors, and we see opportunities across a variety of hard- and local-currency markets.

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] Total Annual Fund Operating Expenses include all direct operating expenses of the Fund, as well as 0.01% Acquired Fund Fees and Expenses incurred indirectly by the Fund through its investment in other mutual funds. Payden & Rygel has contractually agreed to limit Total Annual Fund Operating Expenses After Fee Waiver or Expense Reimbursement to 0.95%. This agreement has a one-year term ending February 28, 2025. Please note that the 0.95% expense level does not include Acquired Fund Fees and Expenses, interest, taxes, and extraordinary expenses. [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.