

Payden & Rygel

Investment Management

Payden Floating Rate Fund SI Class (PYFIX) Ranks #1 in its Category for 2022 ***A standout for posting positive performance last year***

LOS ANGELES, March 1, 2023 – In a year when rising interest rates pushed nearly all fixed income funds' performance into negative territory, Payden & Rygel's Payden Floating Rate Fund SI class posted a positive 0.5%[^] return, ranking #1 among 236 funds in its category as ranked by Morningstar. The retail version of the same fund, Payden Floating Rate Fund Investor Class (PYFRX), also achieved a positive return and ranked #3 out of 236 in its peer group by Morningstar. Both share classes have an Overall Morningstar Rating of Five Stars*.

The funds invest in a portfolio comprised primarily of bank loans, which are high yield-rated corporate debt instruments whose coupons reset as interest rates rise. Because their yields rise as interest rates increase, these instruments typically hold their value better than other fixed income investments when rates go up.

Defaults, rather than rising rates, are the main risk in floating rate funds. Payden's team manages this risk with a bottom-up investment process focused on issuer fundamentals. "Bank loans are callable at any time, so their prices typically don't rise much above par. With this built-in limit on upside, it really makes sense to focus on reducing downside risk at the issuer level," explained Jordan Lopez, director, Payden & Rygel.

In the years leading up to 2022, credit spreads on lower quality loans shrank and offered historically low incremental premiums over higher rated issues. In 2022, Payden's focus on higher quality issues paid off as recession fears increased and lower-quality loans underperformed higher quality loans dramatically. "Focusing on issuer fundamentals kept us overweight the higher quality part of that market, which was a primary reason why we performed so well last year," said Lopez.

Floating rate funds have historically offered investors income, as well as protection from rising rates. Those benefits continue in 2023. Today, Lopez explains, bank loans yield around 10%, and he believes higher quality loans are well positioned to hold their value even if the Fed continues to tighten. "That combination of factors makes floating rate funds a nice complement to portfolios that have a lot of fixed income, particularly longer-dated fixed income," said Lopez.

Payden's portfolio strategy is driven by security selection. Its managers aim to avoid bets on sectors, though its bottom-up process did lead the team to underweight technology issues because of their weak fundamentals. Payden's Lopez explained that this unwavering attention to individual credits may be of special value in markets like the current one. "Especially when markets are uncertain, strategies that focus on fundamentals will serve investors better than speculating on the path of the economy or interest rates," he said.

Payden Floating Rate SI class is an institutional share class while its counterpart Payden Floating Rate Investor Fund is available to retail investors.

Performance^A

| MONTHLY | YTD | 1 YEAR | 3 YEAR | 5 YEAR | 10 YEAR | SINCE INCEPTION (11-11-13) |
|--|-------|-----------|-----------|-----------|------------|----------------------------------|
| PAYDEN FLOATING RATE FUND | 0.28% | 0.28% | 1.96% | 2.90% | – | 3.06% |
| CREDIT SUISSE INSTITUTIONAL LEVERAGED LOAN BB INDEX | 2.58% | 2.58% | 1.16% | 2.51% | – | 3.08% |

Performance^A

| MONTHLY | YTD | 1 YEAR | 3 YEAR | 5 YEAR | 10 YEAR | SINCE INCEPTION (11-11-13) |
|--|-------|-----------|-----------|-----------|------------|----------------------------------|
| PAYDEN FLOATING RATE FUND SI CLASS | 0.51% | 0.51% | 2.11% | 3.04% | – | 3.19% |
| CREDIT SUISSE INSTITUTIONAL LEVERAGED LOAN BB INDEX | 2.58% | 2.58% | 1.16% | 2.51% | – | 3.08% |

About Payden & Rygel

With over \$137 billion under management, Payden & Rygel is one of the largest privately-owned global investment advisers focused on the active management of fixed income and equity portfolios. Payden & Rygel provides a full range of investment strategies and solutions to investors around the globe including Central Banks, Pension Funds, Insurance Companies, Private Banks, and Foundations. Independent and privately-owned, Payden & Rygel is headquartered in Los Angeles and has offices in Boston, London, and Milan.

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^AQuoted 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. Please refer to the 1 year, 5 year, and since inception performance data.”

*For each fund with at least a three-year history, Morningstar calculates a Morningstar Rating (based on a Morningstar risk-adjusted return measure that accounts for variation in a fund's monthly performance (including the effects of sales charges, loads and redemption fees), placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each category receive five stars, the next 22.50% receive four stars, and the next 35% receive three stars. The Overall Morningstar Rating for a fund is derived from a weighted average of the performance figures associated with its three-, five- and 10-year (if applicable) Morningstar Rating metrics. Highly rated funds are defined as those that have a four- or five-star Morningstar rating.

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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 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.