

MARCH 31, 2024

Investment Strategy

The Payden California Municipal Social Impact Fund generally invests in intermediate-maturity municipal bonds that are exempt from Federal, state, and local taxes for California residents. The fund seeks to provide attractive current income while preserving capital. Holdings are diversified across sectors and issuers.

Fund Highlights

- » Most income is exempt from Federal and California State taxes.
- » Targets investments in which the use of proceeds are consistent with positive social and environmental outcomes.
- » Portfolio diversification tool.^A
- » No loads (other fees apply).
- » The value of an investment will generally fall when interest rates rise.

Performance^B

MONTHLY	YTD	1 YEAR	3 YEAR	5 YEAR	10 YEAR	SINCE INCEPTION (12-17-98)
PAYDEN CALIFORNIA MUNICIPAL SOCIAL IMPACT FUND	0.06%	4.05%	0.61%	2.27%	2.65%	3.48%
BLOOMBERG MUNICIPAL BOND 7-YEAR INDEX	-0.48%	2.14%	-0.29%	1.50%	2.30%	3.87%
BLOOMBERG MUNICIPAL BOND CALIFORNIA INTERMEDIATE INDEX	-0.58%	2.04%	-0.30%	1.31%	2.16%	3.86%

Calendar-Year Returns

2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
6.74%	-6.40%	1.02%	5.57%	7.82%	0.58%	6.03%	-0.38%	2.38%	6.05%

FUND DESCRIPTION

CLASS:	Investor
FUND INCEPTION:	Dec 17, 1998
TICKER:	PYCRX
CUSIP:	704329515
TOTAL NET ASSETS:	\$159.1 Million
INVESTMENT MINIMUM: ^C	\$100,000
IRA MINIMUM: ^C	\$100,000
DIVIDENDS PAID:	Monthly
DIVIDENDS (LAST 12 MOS):	\$0.350

FUND STATISTICS

EFFECTIVE DURATION: ^D	5.3 Years
AVERAGE MATURITY:	14.2 Years
30-DAY SEC YIELD:	3.07%
30-DAY SEC YIELD: (UNSUBSIDIZED)	2.53%

EXPENSES

TOTAL FUND OPERATING EXPENSES:	0.63% ^E
WITH EXPENSE CAP:	0.45%

PORTFOLIO MANAGEMENT

	Years of Experience
Michael E. Salvay, CFA	40
Mary Beth Syal, CFA	39
Adam M. Congdon, CFA	13

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 California taxpayers who would like to shelter income from state and Federal taxes.

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 Diversification does not ensure a profit or guarantee against loss. ^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 Fund's distributor may lower or waive the minimum initial investment for certain categories of investors at their discretion. ^D Effective duration is a measure of the Fund's price sensitivity to changes in interest rates. ^E Payden & Rygel has contractually agreed to limit Total Annual Fund Operating Expenses After Fee Waiver or Expense Reimbursement to 0.45%. This agreement has a one-year term ending February 28, 2025. Please note that the 0.45% expense level does not include Acquired Fund Fees and Expenses, interest, taxes, and extraordinary expenses. ^F 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.

Social Impact Investing Risk: The Fund's policy of investing in municipal securities for which, in the Adviser's opinion, the proceeds raised are used consistent with positive social and/or environmental practices and outcomes could cause the Fund to perform differently compared to other mutual funds that do not have such a policy. The factors that the Adviser considers in evaluating an investment's positive social and/or environmental benefits are part of a proprietary security selection methodology and may change over time. There are differences in interpretations of what it means to promote positive social and/or environmental benefits. While the Adviser believes its definitions are reasonable, the portfolio decisions it makes may differ with others' views.

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. Income from municipal securities may be subject to the Federal alternative minimum tax. The Payden Funds are distributed through Payden & Rygel Distributors, member FINRA.

Portfolio Characteristics & Market Commentary

SECTOR ALLOCATION

Revenue	74%
General Obligation	13%
U.S. Treasuries	12%
Money Markets	1%

CREDIT ALLOCATION^F

AAA	30%
AA	58%
A	10%
BBB	1%
Unrated	1%

DURATION ALLOCATION

0-1 yr	20%
1-3 yrs	7%
3-5 yrs	30%
5-7 yrs	8%
7-10 yrs	21%
10+ yrs	14%

Market

- » The Bloomberg California Intermediate Municipal Bond Index posted a negative -0.20% for the month of March bringing the year-to-date 2024 returns to -0.58%.
- » Municipal rates increased 26, 10, 5, and 9 basis points (bps) in the 1-, 5-, 10-, and 30-year spots on the curve, respectively, on top of higher rates in January and February. This move represented underperformance relative to U.S. Treasuries, which increased 1 bp in 1-year, and were lower by 1, 5, and 3 bps in the 5-, 10-, and 30-year tenors, respectively. Recent underperformance reflects investor sensitivity to somewhat full valuations relative to taxable alternatives.

Outlook

- » While municipal credit strength has weakened from its peak, revenue collections from a resilient economy, and COVID-related stimulus to state and local governments continue to support municipal credit health, as witnessed by upgrades outpacing downgrades for the last 3 years, according to Moody's.
- » Valuations relative to U.S. Treasuries cheapened somewhat in March yet remain stronger relative to many historical observations. Supply picked up toward the end of the month, and we expect continued issuance in concert with seasonal selling pressure around tax time. This technical environment may contribute to relative cheapening and set up investors for an attractive entry point.
- » In our view, a combination of economic optimism, historically high absolute yields, and market consensus surrounding a change in monetary policy should support inflows into municipal funds despite the bout of outflows experienced over the past 2 years.