

MARCH 31, 2024

Investment Strategy

The Payden Low Duration Fund seeks income and capital appreciation while avoiding the volatility of longer-maturity bond funds. The fund is primarily comprised of U.S. government securities, investment-grade and high-yield corporate bonds, mortgage- and asset-backed securities. Under normal market conditions, the fund's maximum average portfolio maturity (on a dollar-weighted basis) is four years. The fund will hold a minimum of 75% in investment-grade securities.

Fund Highlights

- » Invests primarily in short-term, fixed-income securities with a minimum of 75% rated investment-grade.
- » Primarily comprised of U.S. government securities, investment-grade and high-yield corporate bonds, mortgage- and asset-backed securities.
- » Incorporates active duration, curve and currency exposure management.
- » No loads (other fees apply).
- » 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 (12-31-93)
PAYDEN LOW DURATION FUND	0.81%	4.69%	0.88%	1.77%	1.54%	3.33%
ICE BOFA 1-3 YEAR US TREASURY INDEX	0.30%	2.97%	0.08%	1.16%	1.07%	3.06%

Calendar-Year Returns

2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
5.66%	-3.41%	-0.05%	3.45%	4.12%	1.01%	1.47%	1.85%	0.43%	0.71%

FUND DESCRIPTION

CLASS:	Investor
FUND INCEPTION:	Dec 31, 1993
TICKER:	PYSBX
CUSIP:	704329200
TOTAL NET ASSETS:	\$973.2 Million
INVESTMENT MINIMUM: ^B	\$100,000
IRA MINIMUM: ^B	\$100,000
DIVIDENDS PAID:	Monthly
DIVIDENDS (LAST 12 MOS):	\$0.372

FUND STATISTICS

EFFECTIVE DURATION: ^C	1.8 Years
AVERAGE MATURITY:	2.0 Years
30-DAY SEC YIELD:	4.68%
30-DAY SEC YIELD: (UNSUBSIDIZED)	4.47%

EXPENSES

TOTAL FUND OPERATING EXPENSES:	0.53% ^D
WITH EXPENSE CAP:	0.43%

PORTFOLIO MANAGEMENT

	Years of Experience
Brian W. Matthews, CFA	41
Mary Beth Syal, CFA	39
Nigel Jenkins, ASIP	35
Kerry G. Rapanot, CFA	28
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 investors who desire a high average credit quality and potential for returns greater than cash alternatives, with some fluctuation in net asset value (NAV).

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)

Portfolio Characteristics & Market Commentary

SECTOR ALLOCATION

Corporates	34%
Government/Gov't Related	26%
Asset-Backed	24%
Mortgage-Backed	11%
Other	5%

CREDIT ALLOCATION^E

AAA	54%
AA	6%
A	18%
BBB	15%
BB	5%
Unrated	2%

DURATION ALLOCATION

0-1 yr	19%
1-3 yrs	73%
3-5 yrs	8%

Market

- » During the first quarter, we observed macro data prints showing stronger economic growth and higher inflation compared to market consensus expectations and labor market conditions remained resilient and supportive. The Federal Reserve (Fed) maintained their target range for policy rates during both January and March meetings and continue to signal an expectation for 75 basis points in cuts by the end of the calendar year. However, they did revise year-end growth and inflation expectations higher and increased their longer-term policy rate expectations modestly. U.S. Treasury yields increased during the quarter as market expectations converged with those of the Fed for aggregate reductions in policy rates by 2024 year-end.
- » Credit products in general outperformed U.S. Treasuries in the first quarter. Both investment-grade corporates and asset-back securities generated positive excess returns, despite record first quarter gross supply, which were digested well by the market. Higher-beta assets such as high-yield corporates and non-agency commercial mortgage-backed securities (CMBS) outperformed as investors continue reaching out for higher yields.

Outlook

- » We maintain an aggregate neutral duration positioning to preserve current yield levels. We continue to look for short-term opportunities to express our views on market mispricing of the path of future monetary policy rates. Aggregate risk positioning remains defensive as we continue to favor liquidity and higher-quality sector allocations. While we remain constructive, in our view, of credit fundamentals, we believe that a more defensive positioning is appropriate as credit premiums have decreased toward decade lows. This quarter, we opportunistically added in spaces like high yield and non-agency mortgages, and trimmed positions such as AAA-rated corporate collateralized loan obligations based on relative valuation.

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 Fund's 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 Payden & Rygel has contractually agreed to limit Total Annual Fund Operating Expenses After Fee Waiver or Expense Reimbursement to 0.43%. This agreement has a one-year term ending February 28, 2025. Please note that the 0.43% 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.

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.