

A stack of smooth, light-colored stones, possibly beach stones, is the central visual element. The stones are stacked in a slightly curved line, with the top stone being the most prominent. The background is a clear, bright blue sky. The overall composition is clean and minimalist.

PAYDEN/KRAVITZ

Cash Balance Plan Fund

ANNUAL REPORT

October 31, 2009

table of contents

» Presidents Letter	1
» Management Discussion & Analysis	2
» Performance Summary	2
» Schedule of Investments	3
» Statement of Assets & Liabilities	5
» Statement of Operations	6
» Statement of Changes in Net Assets	7
» Notes to Financial Statements	8
» Financial Highlights	14
» Report of Independent Registered Public Accounting Firm	16
» Fund Expenses	17
» Approval of Investment Advisory Agreement	18
» Trustees & Officers	19

Presidents Letter

Dear Fellow Shareholders,

We are pleased to present you with the second report to shareholders for the Payden/Kravitz Cash Balance Plan Fund. The Payden/Kravitz Cash Balance Plan Fund is the first and only mutual fund designed exclusively for Cash Balance Plans. It is designed to offer Cash Balance Plan sponsors and their advisors access to a strategic investment solution. The Fund goes one step beyond current solutions by offering an institutionally managed investment strategy specifically developed for Cash Balance Plans with the convenience and ease of a mutual fund.

The Fund launched on September 22, 2008. Although new, the Payden/Kravitz Cash Balance Plan Fund rests on a strong foundation. The Payden/Kravitz relationship draws upon the relative strengths of both Payden & Rygel and Kravitz, providing investors with a true one-step solution backed by global investment management capabilities and long-term investment perspective.

The Payden/Kravitz portfolio is designed to be well-diversified and to exceed its targeted crediting rate with low volatility. The portfolio is a collection of strategies that Payden & Rygel has used successfully for clients over the past 26 years.

During 2008 and 2009 the Fund exceeded the required rate of return (the average yield of the 30-year Treasury for the previous December). Throughout the year, the Fund benefited from strong risk controls and a dedicated portfolio management team with decades of combined investment expertise. This dedication and knowledge will continue to be key factors in driving the return of the Fund.

We look forward to building a relationship and updating you with our progress in the future.

Best regards,



Joan A. Payden
CEO & Founder
Payden & Rygel

Management Discussion & Analysis

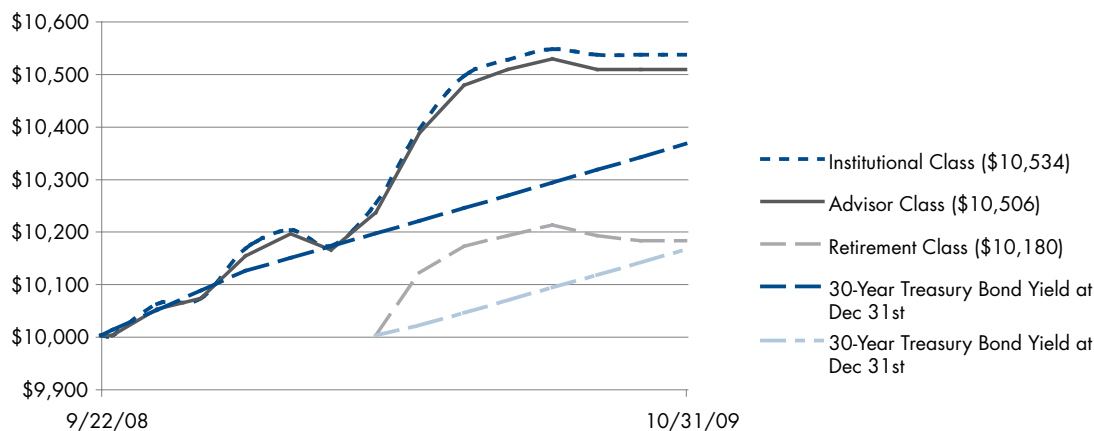
The Payden/Kravitz Cash Balance Plan Fund (the “Fund”) is designed specifically for cash balance plans. Its objective is to earn the benchmark index return on a calendar year basis. The Fund has selected the yield of the 30-Year U.S. Treasury Bond as its benchmark index return. This is the benchmark used by the majority of cash balance plans. For a given calendar year, the benchmark index return is equal to the average daily yield of the 30-Year U.S. Treasury Bond from December of the preceding year.

For the fiscal year ended October 31, 2009, the Fund’s performance was as follows. For the period from November 1, 2008 through December 31, 2008, the Fund’s Institutional Class (PKBIX) returned 1.05%, and the Fund’s Advisor Class (PKCBX) returned 1.01%. For the same time period, the prorated return of the Fund’s benchmark was 0.76%. (For the full calendar year of 2008, the Fund’s benchmark index return had been set at 4.53%.) For the period from January 1, 2009 through October 31, 2009, the Fund’s Institutional Class returned 3.63%, and the Fund’s Advisor Class returned 3.50%. For the same period, the prorated return of the Fund’s benchmark was 2.41%. (For the full calendar year of 2009, the Fund’s benchmark index return had been set at 2.87%.) The Fund’s Retirement Class (PKCRX) returned 1.80% from April 6, 2009, its inception, through October 31, 2009, while the prorated return of the Fund’s benchmark was 1.63% for the same period.

The primary contributors to the Fund’s performance for the fiscal year were investment grade corporate bonds and U.S. Government Agency mortgage debt. Going forward, the Adviser expects credit fundamentals to continue to improve and will look to add credit across sectors when opportunities are presented.

Performance Summary

This information is not part of the audited financial statements.



Past performance does not predict future returns. The graph does not reflect the impact of taxes or transaction costs a shareholder would pay.

Returns	1 Year	Since Inception
Institutional Class	4.71%	4.81%
Advisor Class	4.54%	4.56%
Retirement Class	N/A	1.80%

Credit Quality - percent of value

AAA	76%
AA	5%
A	9%
BBB	10%

Portfolio Composition - percent of value

U.S. Government Agency	53%
Corporate	24%
U.S. Treasury	13%
Mortgage Backed	8%
Other	2%

Schedule of Investments

October 31, 2009

Principal or Shares	Security Description	Value (000)
Bonds (98%)		
Corporate (24%)		
50,000	Abbott Laboratories, 5.60%, 5/15/11	\$53
165,000	American Electric Power Co. Inc., 5.375%, 3/15/10	168
130,000	AstraZeneca PLC, 5.40%, 9/15/12	143
165,000	Bank of America Corp., 4.25%, 10/1/10	170
50,000	Bank of New York Mellon, 4.95%, 11/1/12	54
50,000	Berkshire Hathaway Finance Corp., 4.125%, 1/15/10	50
130,000	Boeing Capital Corp., 6.50%, 2/15/12	143
135,000	Campbell Soup Co., 6.75%, 2/15/11	145
100,000	Caterpillar Financial Services Corp., 5.75%, 2/15/12	109
140,000	Chevron Corp., 3.45%, 3/3/12	147
50,000	Cisco Systems Inc., 5.25%, 2/22/11	53
140,000	Comcast Cable Communications LLC, 6.75%, 1/30/11	149
130,000	Conoco Funding Co., 6.35%, 10/15/11	143
155,000	Costco Wholesale Corp., 5.30%, 3/15/12	168
140,000	Cox Communications Inc., 4.625%, 1/15/10	141
50,000	Credit Suisse New York, 6.00%, 2/15/18	53
50,000	Credit Suisse USA Inc., 6.125%, 11/15/11	54
160,000	CVS Caremark Corp., 5.75%, 8/15/11	172
140,000	Daimler Finance North America LLC, 4.875%, 6/15/10	143
130,000	Deutsche Telekom Int'l Finance BV, 8.50%, 6/15/10	136
130,000	Devon Financing Corp. ULC, 6.875%, 9/30/11	142
170,000	DirecTV Holdings LLC 144A, 4.75%, 10/1/14 (b)	174
50,000	Duke Energy Ohio Inc., 5.70%, 9/15/12	55
250,000	General Electric Capital Corp., 6.125%, 2/22/11	265
130,000	General Mills Inc., 6.00%, 2/15/12	142
130,000	GlaxoSmithKline Capital Inc., 4.85%, 5/15/13	140
50,000	Goldman Sachs Group Inc, 6.875%, 1/15/11	53
90,000	Hewlett-Packard Co., 4.25%, 2/24/12	95
50,000	Hewlett-Packard Co., 5.25%, 3/1/12	54
50,000	Honeywell International Inc., 7.50%, 3/1/10	51
130,000	IBM Corp., 4.75%, 11/29/12	141
50,000	John Deere Capital Corp., 7.00%, 3/15/12	56
50,000	Johnson & Johnson, 5.15%, 8/15/12	55
70,000	JPMorgan Chase & Co., 1.65%, 2/23/11	71
50,000	JPMorgan Chase & Co., 5.60%, 6/1/11	53
130,000	Kellogg Co., 6.60%, 4/1/11	140
130,000	Kroger Co., 6.75%, 4/15/12	143
90,000	MidAmerican Energy Holdings, 5.875%, 10/1/12	98
50,000	Oracle Corp., 5.00%, 1/15/11	52
100,000	Pfizer Inc., 4.45%, 3/15/12	106
240,000	Potash Corp./Saskatchewan Inc., 3.75%, 9/30/15	242
110,000	Prudential Financial Inc., 3.625%, 9/17/12	112
70,000	Roche Holdings Inc. 144A, 4.50%, 3/1/12 (b)	74
130,000	Rogers Communications Inc., 9.625%, 5/1/11	144
141,000	Royal Bank of Canada, 5.65%, 7/20/11	152
140,000	Safeway Inc., 5.80%, 8/15/12	153
140,000	Telecom Italia Capital, 4.875%, 10/1/10	144
50,000	Textron Financial Corp., 4.60%, 5/3/10	50
150,000	Time Warner Cable Inc., 5.40%, 7/2/12	160
135,000	Time Warner Inc., 5.50%, 11/15/11	144
50,000	Unilever Capital Corp., 7.125%, 11/1/10	53
50,000	Verizon Global Funding Corp., 7.25%, 12/1/10	53
140,000	Verizon Wireless Capital 144A, 5.25%, 2/1/12 (b)	150
50,000	Vodafone Group PLC, 5.50%, 6/15/11	53

Principal or Shares	Security Description	Value (000)
100,000	Vodafone Group PLC, 7.75%, 2/15/10	\$102
157,000	Wachovia Corp., 5.30%, 10/15/11	167
50,000	Wal-Mart Stores Inc., 4.125%, 7/1/10	51
130,000	Walt Disney Co., 6.375%, 3/1/12	143
50,000	Waste Management, Inc., 7.375%, 8/1/10	52
160,000	Wyeth, 6.95%, 3/15/11	172
		6,851
Foreign Government Guaranteed (0%)		
165,000	Societe Financement de l'Economie Francaise 144A, 2.00%, 2/25/11 (b)	168
Mortgage Backed (8%)		
545,735	G2 4316 30YR, 6.00%, 12/20/38	581
481,417	G2 4345 30YR, 6.50%, 1/20/39	513
352,264	GN 697858 30YR, 6.00%, 2/15/39	375
302,145	GN 698038 30YR, 6.50%, 1/15/39	322
75,987	GN 700755 30YR, 6.50%, 10/15/38	81
248,382	GN 704005 30YR, 6.50%, 11/15/38	264
		2,136
U.S. Government Agency (53%)		
1,700,000	FFCB Disc Note, 0.55%, 6/11/10 (c)	1,694
500,000	FHLB Disc Note, 0.19%, 1/19/10 (c)	500
700,000	FHLB Disc Note, 0.27%, 12/2/09 (c)	700
300,000	FHLB Disc Note, 0.28%, 1/11/10 (c)	300
1,000,000	FHLMC Disc Note, 0.13%, 12/14/09 (c)	1,000
300,000	FHLMC Disc Note, 0.27%, 2/16/10 (c)	300
3,000,000	FHLMC Disc Note, 0.33%, 12/7/09 (c)	2,999
325,000	FHLMC Disc Note, 0.34%, 5/5/10 (c)	324
800,000	FHLMC Disc Note, 0.55%, 6/1/10 (c)	797
900,000	FNMA Disc Note, 0.07%, 11/12/09 (c)	900
3,941,000	FNMA Disc Note, 0.21%, 1/4/10 (c)	3,940
1,500,000	FNMA Disc Note, 0.28%, 12/29/09 (c)	1,499
		14,953
U.S. Treasury (13%)		
1,100,000	U.S. Treasury Bill, 0.06%, 2/18/10 (c)	1,100
2,200,000	U.S. Treasury Bill, 0.07%, 1/7/10 (c)	2,200
350,000	U.S. Treasury Note, 0.875%, 2/28/11 (d)	352
10,000	U.S. Treasury Note, 2.75%, 2/15/19	10
120,000	U.S. Treasury Note, 3.125%, 5/15/19	117
		3,779
Total Bonds (Cost-\$27,574)		27,887
Investment Company (Cost-\$206) (1%)		
206,343	Paydenfunds Cash Reserves Money Market Fund *	206
Total (Cost-\$27,780) (a) (99%)		28,093
Other Assets, net of Liabilities (1%)		169
Net Assets (100%)		\$28,262

* Affiliated investment

All of the securities, except the Cash Reserves Money Market Fund, are held by the custodian in a segregated account.

Schedule of Investments

	Value (000)
(a) Unrealized appreciation (depreciation) of securities is as follows:	
Unrealized appreciation	\$314
Unrealized depreciation	(1)
Net unrealized appreciation	<u>\$313</u>

(b) Security offered only to qualified institutional investors, and thus is not registered for sale to the public under rule 144A of the Securities Act of 1933. It has been deemed liquid under guidelines approved by the Board.

(c) Yield to maturity at time of purchase.

(d) All or a portion of the securities are held as collateral to cover margin requirements for open futures contracts.

Open Forward Currency Contracts to USD

Delivery Date	Currency (000s)	Contract Price	Contract Value (000s)	Unrealized Appreciation (Depreciation) (000s)
Assets:				
12/1/09	Brazilian Real (Buy 216)	1.7581	\$123	\$4
11/17/09	Mexican New Peso (Buy 1,050)	13.1838	80	2
12/22/09	Singapore Dollar (Buy 114)	1.3987	82	1
12/22/09	South Korean Won (Buy 42,000)	1,175.3666	36	1
				<u>\$8</u>
Liabilities:				
11/17/09	Canadian Dollar (Sell 84)	1.0769	\$78	\$ -
1/19/10	Euro (Buy 65)	1.4749	96	(1)
1/14/10	Israeli Shekel (Buy 364)	3.7393	97	(1)
1/19/10	Japanese Yen (Sell 17,500)	90.4532	193	-
12/22/09	New Taiwan Dollar (Buy 1,860)	32.5016	57	(1)
				<u>\$(3)</u>

Open Futures Contracts

Number of Contracts	Contract Type	Expiration Date	Current Value (000s)	Unrealized (Depreciation) (000s)
7	U.S. Treasury 2 Year Note Future	Dec-09	\$1,523	\$(6)
18	U.S. Treasury 5 Year Note Future	Dec-09	2,096	(38)
3	U.S. Treasury 10 Year Note Future	Dec-09	356	(7)
				<u>\$(51)</u>

See notes to financial statements.

Statement of Assets & Liabilities

October 31, 2009

Numbers in 000s

	Payden/Kravitz Cash Balance Plan Fund
ASSETS:	
Investments, at value*	\$27,887
Affiliated investments, at value **	206
Cash.....	1,100
Receivable for:	
Interest and dividends	96
Investments sold.....	15
Forward currency contracts (Note 2)	8
Receivable from Advisor (Note 3)	135
Other assets	7
Total Assets	29,454
LIABILITIES:	
Payable for:	
Investments purchased	1,106
Fund shares redeemed	10
Futures	16
Forward currency contracts (Note 2)	3
Accrued expenses:	
Administration fees (Note 3)	4
Trustee fees and expenses	1
Other liabilities	52
Total Liabilities	1,192
NET ASSETS.....	\$28,262
NET ASSETS:	
Paid in capital	\$27,663
Undistributed net investment income	192
Undistributed net realized gains from investments	140
Net unrealized appreciation from:	
Investments.....	262
Translation of assets and liabilities in foreign currencies	5
NET ASSETS	\$28,262

Net Asset Value Per Share

	Institutional Class	Advisor Class	Retirement Class
Net Assets	\$9,199	\$18,233	\$830
Outstanding shares of beneficial interest	883	1,753	81.5
NET ASSET VALUE - offering and redemption price per share in whole dollars	\$10.42	\$10.40	\$10.18

* Investments, at cost

\$27,574

** Affiliated investments, at cost

\$206

Statement of Operations

Period ended October 31, 2009

Dollars in 000s

	Payden/Kravitz Cash Balance Plan Fund
INVESTMENT INCOME:	
Interest income (Note 2).....	\$433
Dividend income from affiliated investment (Note 2)	27
Dividend income	5
Investment Income.....	465
EXPENSES:	
Investment advisory fees (Note 3)	191
Administration fees (Note 3)	26
Shareholder servicing fees.....	28
Distribution fees (Note 3)	29
Custodian fees	16
Transfer agent fees	35
Registration and filing fees.....	60
Trustee fees and expenses	2
Printing and mailing costs	34
Legal fees.....	1
Publication expense	1
Pricing fees.....	7
Fund accounting fees	37
Audit fees.....	23
Organization expense.....	38
Gross Expenses	528
Expense subsidy (Note 3).....	(281)
Net Expenses.....	247
Net Investment Income.....	218
REALIZED AND UNREALIZED GAINS (LOSSES):	
Net realized gains (losses) from:	
Investments.....	222
Foreign currency transactions.....	(9)
Futures contracts.....	(17)
Change in net unrealized appreciation (depreciation) from:	
Investments.....	311
Translation of assets and liabilities in foreign currencies	5
Futures contracts.....	(51)
Net Realized and Unrealized Gains (Losses)	461
CHANGE IN NET ASSETS RESULTING FROM OPERATIONS	\$679

See notes to financial statements.

Statements of Changes in Net Assets

For the periods ended October 31st

Numbers in 000s

INCREASE (DECREASE) IN NET ASSETS:

FROM OPERATIONS:

	2009 ⁽²⁾	2008 ⁽¹⁾
Net investment income (loss)	\$218	\$7
Net realized gains (losses) on investments	196	45
Change in net unrealized appreciation/(depreciation)	265	2
Change in Net Assets Resulting from Operations	679	54

FROM DISTRIBUTIONS TO SHAREHOLDERS:

Net investment income:		
Institutional Class	(30)	
Advisor Class	(57)	
Net realized gains from investments:		
Institutional Class	(13)	
Advisor Class	(34)	
Change in Net Assets from Distributions to Shareholders	(134)	—

FROM CAPITAL TRANSACTIONS:

Proceeds from fund shares sold:		
Institutional Class	6,440	3,366
Advisor Class	10,772	7,820
Retirement Class	830	
Reinvestment of distributions:		
Institutional Class	43	
Advisor Class	91	
Cost of fund shares redeemed:		
Institutional Class	(862)	
Advisor Class	(837)	
Change in Net Assets from Capital Transactions	16,477	11,186
Total Change in Net Assets	17,022	11,240

NET ASSETS:

Beginning of period	11,240	—
End of period	\$28,262	\$11,240

Accumulated net investment income	\$192	\$7
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FUND SHARES OF BENEFICIAL INTEREST:

Institutional Class		
Outstanding shares at beginning of period	336	—
Shares sold	626	336
Shares issued in reinvestment of distributions	4	
Shares redeemed	(83)	
Change in shares outstanding	547	336
Outstanding shares at end of period	883	336

Advisor Class		
Outstanding shares at beginning of period	782	—
Shares sold	1,044	782
Shares issued in reinvestment of distributions	9	
Shares redeemed	(82)	
Change in shares outstanding	971	782
Outstanding shares at end of period	1,753	782

Retirement Class		
Outstanding shares at beginning of period	—	—
Shares sold	82	
Shares issued in reinvestment of distributions	—	
Shares redeemed	—	
Change in shares outstanding	82	—
Outstanding shares at end of period	82	—

Purchase of investments (excluding government)	\$10,127	\$2,846
Sale of investments (excluding government)	6,342	37
Purchase of government securities	7,735	—
Sale of government securities	4,313	—

⁽¹⁾ The Institutional and Advisor Classes commenced operations on September 22, 2008.

⁽²⁾ The Retirement Class commenced operations on April 6, 2009.

Notes to Financial Statements

October 31, 2009

1. ORGANIZATION AND RELATED MATTERS

The Payden & Rygel Investment Group (the “Group”) is a no-load, open-end registered investment company organized as a Massachusetts business trust on January 22, 1992 and registered under the Investment Company Act of 1940 (the “1940 Act”), as amended. Each of its seventeen funds (each a “Fund,” collectively the “Funds”) is a series of the Group, and is authorized to issue unlimited shares at \$0.001 par value. This report contains only the Payden/Kravitz Cash Balance Plan Fund. The other sixteen Funds are contained in a separate report.

2. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies followed by the Fund. The policies are in conformity with accounting principles generally accepted in the United States of America (“generally accepted accounting principles”). The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

Securities Valuation

Domestic and foreign fixed income securities and other assets for which market quotations are readily available (other than obligations with original maturities of sixty days or less) are valued on the basis of quotes obtained from brokers and dealers or pricing services. Such quotations take into account appropriate factors such as institutional-sized trading in similar groups of securities, yield, quality, coupon rate, maturity, type of issue, trading characteristics and other data. Debt securities with maturities of sixty days or less are valued at amortized cost, which approximates fair value. Investments in investment companies are valued at their net asset values as reported by such companies.

Publicly traded equity securities, whether in the U.S. or outside the U.S., for which market quotations are readily available generally will be valued at the official closing price or the last sale price on the exchange or market where they are principally traded, or if there have been no sales during the day, at the last bid price. Securities traded only on the over-the-counter market are valued at the latest bid price.

Options, futures, swaps and other similar assets are valued at the official closing price in the case of exchange traded derivatives or on the basis of information provided by the institution with which the Fund entered into the transaction in the case of other securities.

Fixed income or equity securities for which market quotations are not readily available are priced at their fair value as determined in good faith under procedures established by the Valuation and Liquidity Guidelines applicable to the Fund. In considering fair value of a security, one or more factors are taken into consideration depending on the circumstances at the time, including for example: the cost of the security or the last reported sales price of the security as a starting point; changes in interest rates; changes in yield spreads of similarly rated or structured securities; fundamental analytical information relating to the security; the value of other similar securities traded on other markets or among dealers; the general financial condition of the issuer; recent developments affecting the issuer; information, including price quotations, from other financial institutions or analysts; or government actions or pronouncements and other significant events affecting the economy, the markets, the fundamental value of the issuer or of the issuer’s industry.

Fair value pricing may occur when (1) developments occur (a “significant event”) that will affect the value of the Fund’s holdings, and (2) the significant event occurs after the close of the market on which the securities trade, but before the time when the net asset value is computed for the Fund. A significant event may relate to a single issuer or an entire market.

Concentration of Risk

Investing in debt securities may include failure of an issuer to make timely interest or principal payments, or a decline or the perception of a decline in credit quality. In addition the value of the debt security may decline due to general market conditions that are not specifically related to a particular company including industry earnings outlook, changes in interest or currency rates or perception of a specific industry.

Notes to Financial Statements (con't)

Investing in foreign securities may include certain risks and considerations not typically associated with investing in U.S. securities, such as fluctuating currency values and changing local and regional economic, political and social conditions, which may result in greater market volatility. In addition, certain foreign securities may not be as liquid as U.S. securities.

Investment Transactions and Related Income

Investment transactions are accounted for on the date the security is purchased or sold (trade date). Interest income is recognized on an accrual basis. Premiums and discounts are amortized or accreted over the expected life of the security, using the effective interest method. Dividend income is recorded on the ex-dividend date. Realized gains or losses on investment transactions are determined on the identified cost basis.

Foreign Currency Translation

The accounting records of the Fund are maintained in U.S. dollars. The Fund may purchase securities that are denominated in foreign currencies. Investment securities and other assets and liabilities denominated in a foreign currency are translated into U.S. dollars at the current exchange rates. Purchases and sales of securities, income and expenses are translated into U.S. dollars at the exchange rates on the dates of the respective transactions. The Fund does not isolate that portion of the results of operations resulting from changes in foreign exchange rates from the fluctuations arising from changes in security prices.

Reported net realized foreign exchange gains or losses arise from sales and maturities of securities, purchases and sales of foreign currencies, currency gains or losses realized between the trade and settlement dates of securities transactions, and the differences between the amounts of income or expenses recorded on the Fund's books and the U.S. dollar equivalents of the amounts actually received or paid. Net unrealized appreciation/depreciation from translation of assets and liabilities denominated in foreign currency arise from changes in the value of assets and liabilities resulting from changes in the foreign exchange rates.

Repurchase Agreements

The Fund may enter into repurchase agreements (agreements to purchase U.S. Treasury notes and bills, subject to the seller's agreement to repurchase them at a specified time and price) with well-established registered securities dealers or banks. Repurchase agreements are the equivalent of loans by the Fund. With respect to such agreements, it is the Fund's policy to take possession of the underlying securities, except for tri-party agreements where an independent custodian takes possession. On a daily basis the Fund or tri-party custodian mark-to-market such securities to ensure that the value, including accrued interest, is at least equal to the amount to be repaid to the Fund under each agreement. If the seller defaults, and the fair value of the collateral declines, realization of the collateral by the Fund may be delayed or limited.

Forward Currency Contracts

The Fund may enter into forward foreign currency exchange contracts for the purchase or sale of a specific foreign currency at a fixed price on a future date. The Fund enters into forward contracts to protect against adverse currency movements. The forward foreign currency exchange contracts are adjusted by the daily exchange rate of the underlying currency and any gains or losses are recorded for financial statement purposes as unrealized until the contract settlement date, or an offsetting forward foreign currency contract has been executed, at which time the Fund records a realized gain or loss equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed. Risk may arise upon entering into these contracts from potential inability of the counterparties to meet the terms of their contracts and from unanticipated movements in the value of a foreign currency relative to the U.S. dollar.

Options Transactions

Option techniques may be utilized by the Fund to hedge against changes in interest rates, foreign currency exchange rates or security prices in order to establish more definitely the effective return on securities or currencies held or intended to be acquired by the Fund, to reduce the volatility of the currency exposure associated with investment in non-U.S. securities, or as an efficient means of adjusting exposure to the bond, equity and currency markets. In addition, the Fund may enter into such transactions to enhance potential gain in circumstances where hedging is not involved.

When the Fund writes a covered call or put option, an amount equal to the premium received is reflected as an asset and equivalent liability. The amount of the liability is subsequently marked-to-market to reflect the current value of the option. If an option expires on its stipulated expiration date or if the Fund enters into a closing purchase transaction, a gain or loss is realized. If a written call option is exercised, a gain or loss is realized for the sale of the underlying security and the proceeds from the sale are increased by the premium originally received. If a written put option is exercised, the cost of the security acquired is decreased by the premium originally received. As writer of an option, the Fund has no control over whether the underlying securities are subsequently sold (call) or purchased (put) and, as a result, bears the market risk of an unfavorable change in the price of the security underlying the written option.

When the Fund purchases a call or put option, an amount equal to the premium paid is included in the Fund's statement of assets and liabilities as an investment, and is subsequently marked-to-market to reflect the current value of the option. If an option expires on the stipulated expiration date or if a Fund enters into a closing sale transaction, a gain or loss is realized. If the Fund exercises a call option, the cost of the security acquired is increased by the premium paid for the call. If the Fund exercises a put option, a gain or loss is realized from the sale of the underlying security, and the proceeds from such sale are decreased by the premium originally paid. Written and purchased options are non-income producing securities.

Futures Contracts

The Fund may invest in futures contracts to hedge against anticipated future changes in interest or exchange rates or security prices. In addition, the Fund may enter into such transactions to enhance potential gain in circumstances where hedging is not involved.

The purchase or sale of futures contracts and options on futures contracts provides for the future sale by one party and purchase by another party of a specified quantity of a financial instrument or foreign currency at a fixed price on a future date. Upon entering into such a contract, the Fund is required to deposit and maintain as collateral such initial margin as required by the exchange on which the contract is traded. Pursuant to the contract, the Fund agrees to receive from or pay to the broker an amount equal to the daily fluctuations in the value of the contract. Such receipts or payments are known as variation margin and are recorded as unrealized gains or losses by the Fund. When the contract is closed, the Fund records a realized gain or loss equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed. The potential risk to the Fund is that the change in value of the underlying securities may not correlate to the change in value of the contracts.

The Fund may invest in stock index futures contracts, which are an agreement pursuant to which two parties agree to take or make delivery of an amount of cash equal to the difference between the value of the index at the close of the last trading day of the contract and the price at which the index contract was originally written. Variation margin accounting procedures apply to these index futures contracts. The Fund invests in these futures contracts to permit the Fund to meet its objectives at a lower cost than investing directly in equity securities, while permitting the equivalent of an investment in a portfolio of equity securities. The potential risk to the Fund is that the change in value of the underlying index may not correlate to the change in the value of the contracts.

TBA Sale Commitments

The Fund may enter into TBA sale commitments, such as dollar roll agreements, to hedge its portfolio position or to sell mortgage-backed securities it owns under delayed delivery arrangements. Proceeds from TBA sale commitments are not received until the contractual settlement date. During the time a TBA sale commitment is outstanding, equivalent deliverable securities, or an offsetting TBA purchase commitment deliverable on or before the sale commitment date, are held as "cover" for the transaction.

Unsettled TBA sale commitments are valued at approximately the current value of the underlying securities. The contract is "marked-to-market" daily and the change in the value is recorded by the Fund as an unrealized gain or loss. If the TBA sale commitment is closed through the acquisition of an offsetting purchase commitment, the Fund realizes a gain or loss from the sale of the securities based upon the unit price established at the date the Fund entered the commitment.

The following tables show the Fund's exposure to different types of market risk as it relates to the statement of assets and liabilities and the statement of operations.

Statement of Assets and Liabilities
Fair Values of Derivative Instruments as of October 31, 2009
(Amounts in thousands)

Underlying Risk	Derivative Assets	Derivative Liabilities
Interest rate ¹	\$ -	\$ (51)
Foreign currency ^{2,3}	8	(3)
Total	\$ 8	\$ (54)

¹ Includes cumulative appreciation/depreciation of futures contracts as reported in Schedule of Investments. Only current day's variation margin is reported within the Statement of Assets and Liabilities as Receivable/Payable for futures.

² Receivable for forward currency contracts.

³ Payable for forward currency contracts.

Notes to Financial Statements (con't)

The Effect of Derivative Instruments on the Statement of Operations
Amount of Realized Gain (Loss) on Derivatives Recognized in Income
For the Period Ended October 31, 2009
(Amounts in thousands)

Underlying risk	Futures ⁴	Forward Currency Contracts ⁵	Total
Foreign exchange	\$ -	\$ (8)	\$ (8)
Interest rate	(17)	-	(17)
Total	\$ (17)	\$ (8)	\$ (25)

⁴Net realized gains (losses) from futures contracts.

⁵Net realized gains (losses) from foreign currency transactions which could include other currency related gains and losses.

The Effect of Derivative Instruments on the Statement of Operations
Change in Unrealized Appreciation or (Depreciation) on Derivatives Recognized in Income
For the Period Ended October 31, 2009
(Amounts in thousands)

Underlying risk	Futures ⁶	Forward Currency Contracts ⁷	Total
Interest rate	\$ (51)	\$ -	\$ (51)
Foreign exchange	-	5	5
Total	\$ (51)	\$ 5	\$ (46)

⁶Change in net unrealized appreciation (depreciation) from futures contracts.

⁷Change in net unrealized appreciation (depreciation) from translation of assets and liabilities in foreign currencies which could include other currency related appreciation (depreciation).

During the period ended October 31, 2009 the average notional amount of derivatives as a percent of average net assets were as follows:

Foreign currency	Credit	Interest rate	Equity
1%	0%	29%	0%

Collateral

Futures contracts, options, and forward delivery agreements for foreign currency and fixed income securities require either cash settlement or delivery of securities at some future date with little or no initial investment. The Fund is required to segregate sufficient assets to cover any potential loss.

Distributions to Shareholders

Distributions to shareholders are recorded on the ex-dividend date. Dividends from net investment income and net realized gains on foreign currency transactions are declared and paid monthly. Net realized gains on investments, if any, are declared and distributed at least annually. All distributions are paid in the form of additional shares unless cash payment is requested.

Distributions to shareholders are determined in accordance with income tax regulations, which may differ from generally accepted accounting principles.

Federal Income Taxes

It is the policy of the Fund to meet the requirements for qualification as a regulated investment company as defined in Subchapter M of the Internal Revenue Code (the "Code"), and to make distributions of net investment income and net realized gains sufficient to relieve it from all Federal income or excise taxes. As of and during the period ended October 31, 2009, the Fund did not have any liabilities for any unrecognized tax positions. Accordingly, no provision for Federal income or excise tax is necessary.

The Fund files a tax return annually using tax accounting methods required under provisions of the Code, which may differ from generally accepted accounting principles, the basis on which these financial statements are prepared. The differences arise primarily from the treatment of foreign currency transactions and futures contracts and the deferral of certain losses under Federal income tax regulations. Accordingly, the amounts of net investment income and net realized gains or losses reported in these financial statements may differ from those reported in each Fund's tax return. Return of capital distributions and net

investment losses for tax purposes, if any, are reclassified to paid in capital. The preceding tax year remains subject to examination by the Internal Revenue Service and state taxing authorities.

Affiliated Investment

The Fund invests in the Cash Reserves Money Market Fund, an affiliated Fund. Income earned by the Fund from affiliated Funds for the period is disclosed in the statement of operations.

Market Value October 31, 2008	Purchase	Sales	Dividends	Market Value October 31, 2009
\$ 58,839	\$ 709,617,574	\$ 709,470,070	\$ 27,304	\$ 206,343

Custodian Credits

The Fund has entered into an agreement with the custodian, whereby it earns custodian fee credits for temporary cash balance. These credits, which offset custodian fees that may be charged to the Fund, are based on 75% of the daily effective federal funds rate, and are disclosed in the statement of operations.

Other

Shared expenses incurred by the Group are allocated among the Funds of the Group on the basis of relative net assets. Fund-specific expenses are charged to each Fund as incurred.

3. RELATED PARTY TRANSACTIONS

Payden/KDS Investment Advisers LLC (the “Adviser” or “Payden/KDS”) provides investment advisory services to the Fund. Under the terms of the investment advisory agreement, Payden/KDS is entitled to receive fees monthly, computed on the average daily net assets of the Fund at an annualized rate of 1.10%.

Payden/KDS agreed to guarantee that, for so long as it acts as investment adviser to the Fund, the expenses of the Fund, including advisory fees (exclusive of interest and taxes) will not exceed 1.25% for the institutional class, 1.50% for the advisor class, and 1.75% for the retirement class of average daily net assets on an annualized basis.

The Fund remains liable to Payden/KDS for expenses subsidized in any fiscal year up to a maximum of three years from the end of the period in which the expenses were subsidized as long as any reimbursement will not cause the annual expense ratio for the year in which it is made to exceed the amount of the expense guarantee or expense limit (whichever is in effect at the time of reimbursement).

The deferred expense subsidies represent the cumulative amount of expenses subsidized for the Fund through the end of the year. The amount \$337,400 (\$55,973 for 2008 and \$281,427 for 2009) is not considered a liability of the Fund, and therefore is not recorded a liability in the statement of assets and liabilities, but will be recognized as net expense in the statement of operations as expense previously deferred in future periods, if expense limits permit.

Treasury Plus, Inc., a wholly owned subsidiary of Payden & Rygel, serves as administrator to the Group. Under the terms of the administration agreement, Treasury Plus, Inc. receives fees monthly, computed on the average daily net assets of the Group at an annualized rate of 0.15%.

The Fund has adopted a plan pursuant to SEC rule 12b-1 by which Payden & Rygel Distributors receives fees monthly, computed on the average net assets of the advisor class at an annualized rate of 0.25% and of the retirement class at an annualized rate of 0.50%.

Certain officers and/or trustees of the Group are affiliated with Payden/KDS, Payden & Rygel Distributors and/or Treasury Plus, Inc. Such officers and trustees receive no fees from the Fund for serving as officers and/or trustees of the Group.

Indemnifications

Under the Group’s organizations documents, its trustees and officers are indemnified by the Fund against certain liabilities arising out of the performance of their duties to the Fund. Additionally, in the normal course of business, the Fund enters into contracts with service providers that contain general indemnification clauses. The Fund’s maximum exposure under these agreements is unknown as this would involve future claims that may be made against the Fund that have not yet occurred. Currently, the Fund expects this risk of loss to be remote.

Notes to Financial Statements (con't)

4. FAIR VALUE

Various inputs are used in determining the value of the fund's investments and other financial instruments. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. These inputs are summarized in the three broad levels: Level 1 - quoted prices in active markets for identical investments; Level 2 - other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.), and Level 3 - significant unobservable inputs (including fund's own assumptions in determining the fair value of investments).

The following is a summary of the inputs used as of October 31, 2009, in valuing the Fund's investments and other financial instruments.

Investments	Level 1		Level 2		Level 3		Total
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	
Corporate			\$ 6,851				\$ 6,851
Government			3,947				3,947
Mortgage Backed			2,136				2,136
U.S. Government Agencies			14,953				14,953
Investment Company	\$ 206						206
	Level 1		Level 2		Level 3		Total
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	
Other Financial Instruments ⁽¹⁾		\$ (51)	\$ 8	\$ (3)			\$ (46)

⁽¹⁾ Other Financial Instruments include derivative instruments, such as futures, forward currency, swap and any options contracts. Amounts shown represents unrealized appreciation (depreciation) at period end.

5. FEDERAL INCOME TAXES (AMOUNTS IN 000s)

For Federal income tax purposes the Fund had no capital loss carry forwards at year end.

The tax character of distributions paid during the fiscal year ended October 31, 2009 is as follows:

Ordinary Income	Long Term Capital Gains	Return of Capital
\$104	\$28	\$-

At October 31, 2009, net unrealized appreciation (depreciation) on investments for Federal income tax purposes is as follows:

Cost of Investments Federal Income Tax Purposes	Gross Unrealized Appreciation on Investments	Gross Unrealized Depreciation on Investments	Net Unrealized Appreciation (Depreciation) on Investments
\$27,780	\$314	\$1	\$313

At October 31, 2009, the components of accumulated earnings (deficit) for Federal income tax purposes are as follows:

Undistributed Ordinary and Tax Exempt Income	Undistributed Realized Long Term Capital Gains	Capital Loss Carryforwards	Distributions Payable	Net Unrealized Appreciation (Depreciation)	Total Distributable Earnings
\$285	\$ -	\$ -	\$ -	\$314	\$599

6. SUBSEQUENT EVENTS

The Fund has evaluated subsequent events through December 28, 2009, the issuance date of the financial statements and determined that no events have occurred that require disclosure.

Financial Highlights

For the share outstanding for the periods ended October 31st

Institutional Class

	2009	2008
Net asset value - beginning of period	\$10.06	\$10.00
Income (loss) from investment activities:		
Net investment income	0.13	0.01
Net realized and unrealized gains (losses)	0.34	0.05
Total from investment activities	0.47	0.06
Distributions to shareholders:		
From net investment income	(0.07)	
From net realized gains	(0.04)	
Total distributions to shareholders	(0.11)	0.00
Net asset value - end of period	\$10.42	\$10.06
Total return	4.71%	0.60% (1)
Ratios/supplemental data:		
Net assets, end of period (000s)	\$9,199	\$3,379
Ratio of gross expense to average net assets	2.86%	7.17% (2)
Ratio of net expense to average net assets	1.25%	1.25% (2)
Ratio of investment income less gross expenses to average net assets	(0.12%)	(5.05%) (2)
Ratio of net investment income to average net assets	1.49%	0.87% (2)
Portfolio turnover rate	124%	16% (1)

The class commenced operations on September 22, 2008.

Advisor Class

Net asset value - beginning of period	\$10.05	\$10.00
Income (loss) from investment activities:		
Net investment income	0.11	0.01
Net realized and unrealized gains (losses)	0.35	0.04
Total from investment activities	0.46	0.05
Distributions to shareholders:		
From net investment income	(0.07)	
From net realized gains	(0.04)	
Total distributions to shareholders	(0.11)	0.00
Net asset value - end of period	\$10.40	\$10.05
Total return	4.54%	0.50% (1)
Ratios/supplemental data:		
Net assets, end of period (000s)	\$18,233	\$7,861
Ratio of gross expense to average net assets	3.13%	6.98% (2)
Ratio of net expense to average net assets	1.50%	1.50% (2)
Ratio of investment income less gross expenses to average net assets	(0.46%)	(4.85%) (2)
Ratio of net investment income to average net assets	1.17%	0.63% (2)
Portfolio turnover rate	124%	16% (1)

The class commenced operations on September 22, 2008.

(1) Not annualized

(2) Annualized

See notes to financial statements.

Financial Highlights

For the share outstanding for the period ended October 31st

Retirement Class

	2009	
Net asset value - beginning of period	\$10.00	
Income (loss) from investment activities:		
Net investment income	(0.01)	
Net realized and unrealized gains (losses)	0.19	
Total from investment activities	0.18	
Distributions to shareholders:		
From net investment income		
From net realized gains		
Total distributions to shareholders	0.00	
Net asset value - end of period	\$10.18	
Total return	1.80%	(1)
Ratios/supplemental data:		
Net assets, end of period	\$830	
Ratio of gross expense to average net assets	3.56%	(2)
Ratio of net expense to average net assets	1.75%	(2)
Ratio of investment income less gross expenses to average net assets	(2.09%)	(2)
Ratio of net investment income to average net assets	(0.28%)	(2)
Portfolio turnover rate	124%	(1)

The class commenced operations on April 6, 2009.

⁽¹⁾ Not annualized

⁽²⁾ Annualized

See notes to financial statements.

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Trustees of The Payden & Rygel Investment Group

We have audited the accompanying statement of assets and liabilities, including the schedule of investments, of Payden/Kravitz Cash Balance Plan Fund, one of the portfolios constituting The Payden & Rygel Investment Group (the "Funds"), as of October 31, 2009, and the related statement of operations for the year then ended, and the statements of changes in net assets and the financial highlights for each of the periods presented. These financial statements and financial highlights are the responsibility of the Funds' management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. The Funds are not required to have, nor were we engaged to perform, an audit of their internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Funds' internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of October 31, 2009, by correspondence with the custodian and brokers; where replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of Payden/Kravitz Cash Balance Plan Fund of The Payden & Rygel Investment Group as of October 31, 2009, the results of its operations for the year then ended, and the changes in its net assets and the financial highlights for each of the periods presented, in conformity with accounting principles generally accepted in the United States of America.

DELOITTE & TOUCHE LLP

Chicago, Illinois
December 28, 2009

Fund Expenses (unaudited)

Understanding Your Fund's Expenses

Shareholders of mutual funds incur two types of costs: transaction costs incurred from buying or selling Fund shares and on-going costs incurred from the Funds daily operations. The tables below are provided to highlight ongoing cost only. If transaction costs were included your cost would have been higher.

Actual Expenses

The table below is useful in estimating actual expenses paid during the period ended October 31, 2009. It uses the Fund's actual return and expense ratio for the period (184/365 days) to calculate the ongoing expenses paid by a shareholder with an initial investment of \$1,000. To estimate the actual expenses that you paid over the period, divide your beginning account value by 1,000 and multiply that number by the number in the Expenses Paid During the Period column.

Hypothetical Expenses

The table below is provided so that you can compare the Fund's ongoing expense with those of another fund. It uses a hypothetical gross annual return of 5%, which is not the Fund's actual return and the Fund's actual expense ratio (184/365 days) for the six-month period ended October 31, 2009 to calculate the ongoing expenses paid by a shareholder with an initial investment of \$1,000.

	Value May 1, 2009	Value October 31, 2009	6-Month Return	Annual Expense Ratio	Expenses Paid During the Period
<u>Institutional Class</u>					
Actual	\$1,000.00	\$1,006.00	1.36%	1.25%	\$6.34
Hypothetical	1,000.00	1,018.90	1.89%	1.25%	6.36
<u>Advisor Class</u>					
Actual	\$1,000.00	\$1,011.70	0.59%	1.50%	\$7.61
Hypothetical	1,000.00	1,017.64	1.64%	1.50%	7.63
<u>Retirement Class</u>					
Actual	\$1,000.00	\$1,005.90	0.59%	1.75%	\$8.85
Hypothetical	1,000.00	1,016.38	1.64%	1.75%	8.89

Approval of Investment Advisory Agreement

1. Background

The most recent review of the Investment Management Agreement (the “Agreement”) between the investment adviser, Payden/Kravitz Investment Advisers LLC (formerly Payden/KDS Investment Advisers LLC, the “Adviser”), and The Payden & Rygel Investment Group (the “Trust”) with respect to the Trust’s Payden/Kravitz Cash Balance Plan Fund occurred on June 16 and 17, 2008, with initial appointment of the Adviser. The next review of the Agreement will occur in June 2010. The information below is with respect to the initial review on June 16 and 17, 2008.

On June 16 and 17, 2008, the Audit Committee (the “Committee”) of the Board of Trustees (the “Board”) of the Trust initially considered the Agreement between the Adviser and the Trust with respect to the Trust’s Payden/Kravitz Cash Balance Plan Fund. On June 17, 2008 and following the recommendation of the Committee, which is composed of all of the Trust’s independent Trustees, the Board unanimously approved the Agreement for an initial two-year term, which began with the commencement of operations of the Fund on September 22, 2008. The Board and the Committee determined that the advisory fee structure for the Fund was fair and reasonable in relation to the services provided and that approving the Agreement for the initial term was in the best interests of the Fund and its prospective shareholders.

In reaching this decision, the Board and the Committee considered extensive information prepared specifically in connection with their review of the Agreement, and they were assisted and advised by their independent counsel in this endeavor. They considered the factors discussed below, among others, but they did not identify any single issue or factor or any particular piece of information that, in isolation, was the controlling factor.

2. Nature, Extent and Quality of Services

The Board and Committee considered the depth and quality of the Adviser’s investment advisory process, the breadth, depth and quality of the Adviser’s investment professionals providing services to the Fund, the experience, capability and integrity of the Adviser’s senior management, the low turnover rate of its key personnel, and the overall financial strength, stability and steady growth of the Adviser. They also considered the Adviser’s ability and commitment to attract and retain qualified personnel and to maintain and enhance its investment advisory resources and information technology systems. The Board and Committee further considered the Adviser’s commitment to compliance with applicable laws and regulations and the nature and extent of its compliance program and records. Finally, they took into account the administrative, distribution and shareholder services to be provided by the Adviser to the Fund under the Agreement. The Board and Committee concluded that the nature, extent and quality of the investment advisory and related services to be provided by the Adviser and its affiliates should benefit the Fund and its prospective shareholders.

3. Advisory Fees and Total Expenses

The Board and the Committee reviewed information regarding the proposed net operating expense ratio for the Fund and its various components, including proposed advisory fees and non-management fees. The Board and Committee also considered comparisons of those fees and expenses to fee and expense information for a comparable set of mutual funds. Overall, the Board and Committee concluded that the Fund’s cost structure was fair and reasonable in relation to the services provided, and that the Fund’s prospective shareholders would be expected to receive reasonable value in return for the advisory fees paid to the Adviser by the Fund.

4. Adviser Profitability and Indirect Benefits

The Board and Committee reviewed information regarding the Adviser’s cost of providing services to the Fund, as well as the resulting level of profits to the Adviser, and reviewed the Adviser’s cost allocation methodology used to determine the profitability to the Adviser of providing services to the Fund. Based on the information received, the Board and Committee concluded that the estimated profits to be earned by the Adviser did not appear excessive in view of the advisory, administrative and other services provided to the Fund. Finally, the availability of mutual funds enhances the Adviser’s business reputation and name recognition.

Trustees and Officers

Name and Address	Position with Fund	Year Elected	Principal Occupation(s)	Other Directorships Held
333 S. Grand Avenue Los Angeles, CA 90071				
Trustees ⁽¹⁾				
W.D. Hilton, Jr.	Independent Trustee	1993	President and CEO, Trust Service, Inc.; Executive Director, NGC Bodily Injury Trust; and Managing Trustee, Fuller-Austin Trust	Trustee, The Metzler/Payden Investment Group
Gerald S. Levey, M.D.	Independent Trustee	2000	Vice Chancellor, Medical Sciences, and Dean, David Geffen School of Medicine at the University of California, Los Angeles	Trustee, The Metzler/Payden Investment Group
Thomas V. McKernan, Jr.	Independent Trustee	1993	CEO, Automobile Club of Southern California	Director, Blue Shield of California; Director, Forest Lawn Memorial Park
Dennis C. Poulsen	Independent Trustee	1992	Chairman of the Board, Rose Hills Company	Director, Rose Hills Company; Director, Ameron International Corp.
Stender E. Sweeney	Independent Trustee	1992	Private Investor	Director, Avis Budget Group, Inc.
Joan A. Payden	Interested Trustee	1992	President, CEO and Director, Payden & Rygel	
Andrew J. Policano	Independent Trustee	2008	Dean, The Paul Merage School of Business, at the University of California, Irvine (2004-present); Kuechenmeister Professor of Finance, University of Wisconsin-Madison (2001-2004)	Director, Badger Meter, Inc.; Director, Rockwell Collins
Rosemarie T. Nassif	Independent Trustee	2008	President, Holy Names University	Director, Freemont Bank
Michael E. Salvay	Interested Trustee	2009	Managing Principal, Payden & Rygel	
Mary Beth Syal	Interested Trustee	2000	Managing, Principal and Director, Payden & Rygel	
Officers ⁽²⁾				
Joan A. Payden	Chairman and CEO	1992	President, CEO and Director, Payden & Rygel	
Yot Chatrabhuti	Vice President	1997	Principal, Payden & Rygel	
Bradley F. Hersh	Vice President and Treasurer	1998	Vice President and Treasurer, Payden & Rygel	
Brian W. Matthews	Vice President and CFO	2003	Managing Principal, CFO and Director, Payden & Rygel	
David L. Wagner	Vice President and CCO	1996	Senior Vice President, Risk Management, and CCO, Payden & Rygel	
Edward S. Garlock	Secretary	1997	Managing Principal, General Counsel and Director, Payden & Rygel	

Additional information about the Trustees can be found in the SAI.

⁽¹⁾ Trustees do not have a set term of office, but serve until their resignation, death or removal.

⁽²⁾ Officers are elected by, and serve at the pleasure of, The Board of Trustees

IMPORTANT INFORMATION: The information contained in this report is intended for shareholders of the Paydenfunds only. It is not authorized for distribution to prospective investors unless accompanied or preceded by a current prospectus which provides further details.

The performance numbers presented in this report are derived from historical market data. There is no guarantee of future performance nor are Fund shares guaranteed. Investment return and principal value of an investment in a Fund will fluctuate so that an investor's shares, when redeemed, may be worth more or less than original cost. Fund shares are sold through Payden & Rygel Distributors, member NASD.

The Fund files its complete schedule of portfolio holdings with the Securities and Exchange Commission (SEC) for the first and third quarters of each fiscal year on Form N-Q. Forms N-Q are available on the SEC's web site at <http://www.sec.gov> or the Fund's Forms N-Q may be reviewed and copied at the SEC's Public Reference Room in Washington D.C. Information regarding the operation of the SEC's Public Reference Room may be obtained by calling 1-800 SEC-0330.

To view the Fund's proxy voting guidelines and proxy voting record, visit the SEC's web site at <http://www.sec.gov>. You may also call 800 572-9336 to request a free copy of the proxy voting guidelines.

» **PAYDEN/KRAVITZ CASH BALANCE PLAN FUND**

Payden/Kravitz Cash Balance Plan Fund – Advisor Share Class (PKCBX)

Payden/Kravitz Cash Balance Plan Fund – Institutional Share Class (PKBIX)

Payden/Kravitz Cash Balance Plan Fund – Retirement Share Class (PKCRX)



Paydenfunds

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