

SEPTEMBER 30, 2023

### Investment Strategy

The Payden Emerging Markets Bond Fund invests in a diversified portfolio of emerging-market sovereign and corporate bonds. The fund invests in countries that are identified through extensive analysis of their macroeconomic variables, sovereign credit ratios, political stability, and the quality of the country's business environment. 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

- » Primarily sovereign focus - opportunistic exposure in corporates
- » Managed by Payden & Rygel with 20 years of experience managing emerging-market portfolios
- » Local markets expertise - opportunistic exposure to local markets
- » 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<sup>A</sup>

MONTHLY	YTD	1 YEAR	3 YEAR	5 YEAR	10 YEAR	SINCE INCEPTION (04-09-12)
PAYDEN EMERGING MARKETS BOND FUND SI CLASS	1.99%	12.52%	-3.95%	-0.29%	2.29%	2.31%
J.P. MORGAN EMBI GLOBAL DIVERSIFIED INDEX	1.76%	10.02%	-4.56%	-0.35%	2.47%	2.60%

### Calendar-Year Returns

2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
-17.40%	-2.36%	6.24%	16.47%	-6.99%	11.99%	11.55%	-0.77%	5.40%	-7.13%

### FUND DESCRIPTION

CLASS:	SI
FUND INCEPTION:	Apr 09, 2012
TICKER:	PYEIX
CUSIP:	704329242
TOTAL NET ASSETS:	\$706.7 Million
INVESTMENT MINIMUM: <sup>B</sup>	\$10,000,000
IRA MINIMUM: <sup>B</sup>	\$10,000,000
DIVIDENDS PAID:	Monthly
DIVIDENDS (LAST 12 MOS):	\$0.783

### FUND STATISTICS

EFFECTIVE DURATION: <sup>C</sup>	6.7 Years
AVERAGE MATURITY:	12.1 Years
30-DAY SEC YIELD:	9.49%
30-DAY SEC YIELD: (UNSUBSIDIZED)	9.45%

### EXPENSES

TOTAL FUND OPERATING EXPENSES:	0.73% <sup>D</sup>
WITH EXPENSE CAP:	0.69%

### PORTFOLIO MANAGEMENT

	Years of Experience
Kristin J. Ceva, PhD, CFA	34
Nigel Jenkins, ASIP	33
Arthur Hovsepian, CFA	28
Zubin V. Kapadia, CFA	19

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](http://payden.com) or call 800 572-9336.

## Role In Portfolio

Appropriate for investors with long investment time horizons who seek diversification via sovereign and corporate bonds issued by emerging-market countries.

## Investment Manager

Payden & Rygel has served the needs of institutional and individual investors for over a quarter century. We offer a full array of investment strategies and products, including equity, fixed-income and balanced portfolios as well as open-end mutual funds and offshore funds, to a varied client base around the world. While we have grown and expanded considerably since our inception, we remain committed to our mission of providing customized investment management services that focus on each client's specific needs and objectives.

**Headquarters:** Los Angeles

**Founded:** 1983

**Assets Under Management:** \$144 billion  
(as of 09/30/23)



## FOOTNOTES

<sup>A</sup> Returns less than one year are not annualized. <sup>B</sup> The minimum initial investment may be modified for certain financial intermediaries that submit trades on behalf of underlying investors. Paydenfund's distributor may lower or waive the minimum initial investment for certain categories of investors at their discretion. <sup>C</sup> Effective duration is a measure of the Fund's price sensitivity to changes in interest rates. <sup>D</sup> Payden & Rygel has contractually agreed to limit Total Annual Fund Operating Expenses After Fee Waiver or Expense Reimbursement to 0.69%. This agreement has a one-year term ending February 28, 2024. Please note that the 0.69% expense level does not include Acquired Fund Fees and Expenses, interest, taxes, and extraordinary expenses. <sup>E</sup> 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](http://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 Paydenfunds are distributed through Payden & Rygel Distributors, member FINRA.

## Portfolio Characteristics & Market Commentary

### SECTOR ALLOCATION

Government/Gov't Related	85%
Corporates	12%
Money Markets	3%

### CREDIT ALLOCATION<sup>E</sup>

AAA	3%
AA	4%
A	8%
BBB	32%
BB	28%
B	15%
CCC	6%
CC	3%
Unrated	1%

### TOP-10 COUNTRY ALLOCATION

Mexico	7.5%
Indonesia	6.1%
Colombia	5.3%
S.Africa	5.2%
Saudi Arabia	4.1%
Brazil	3.7%
Romania	3.6%
Peru	3.0%
Dominican Republic	2.9%
Chile	2.8%

## Market

» Emerging-markets ("EM") debt returns were negative in September, primarily due to the continued upward move in U.S. Treasury yields. Within EM hard-currency credit, corporates outperformed sovereigns, helped by corporates' shorter duration profile. In both sectors, the greater interest rate sensitivity of investment-grade bonds caused them to lag relative to high-yield bonds. EM local bonds underperformed hard-currency credit, as local interest rates moved higher, while currencies depreciated against a stronger U.S. dollar.

## Outlook

- » Steady progress on disinflation suggests that developed-market central banks are nearing the end of their respective hiking cycles. Similarly, inflation readings continue to fall across most EM countries. EM central banks are largely finished with rate hikes, and several have turned the page to begin unwinding tight policy. Central banks are likely to see their paths diverge as policymakers face varying degrees of inflation, growth, and external risks.
- » Higher interest rates are putting downward pressure on global growth, overall. To date, however, EM growth trends have been relatively resilient, while impending monetary policy easing may also provide support. Softer economic data and poor property market dynamics have dented sentiment toward China. That said, recent policy measures may bring some improvement looking ahead.
- » We believe systemically important EM countries and the majority of EM corporates, have navigated tighter liquidity conditions well. That said, we remain alert to various risk factors. Continued hawkish policy by the U.S. Federal Reserve, potential developed-market recessions, and geopolitical risks, including the ongoing Russia-Ukraine war, may generate volatility.
- » In our view, EM debt offers investors diversification benefits and attractive income. A more balanced flow environment, along with negative net issuance by EM debt issuers, has created a supportive technical backdrop. While the market environment calls for a selective approach, we believe there are many compelling opportunities across hard- and local-currency EM debt.