

DECEMBER 31, 2025

**Investment Strategy**

The Payden Managed Income Fund primarily invests in corporate, mortgage, and emerging-market debt along with other cash-flow-oriented securities. These holdings are complemented by securities positioned to take advantage of broader industry, interest rate, and currency views. The Fund seeks to manage interest rate duration with the use of futures contracts, which seek to limit exposure to yield curve fluctuations.

**Fund Highlights**

- » Seeks to provide total return, whether through price appreciation, or income, or a combination of both.
- » Utilizes all sectors of the fixed-income market with opportunistic equity usage.
- » Portfolio is structured with relatively low interest rate sensitivity.
- » Moderate use of hedging and defensive strategies.

**Performance<sup>A</sup>**

MONTHLY	YTD	1 YEAR	3 YEAR	5 YEAR	10 YEAR	SINCE INCEPTION (09-22-08)	2025 TARGET RATE <sup>B</sup>
PAYDEN MANAGED INCOME FUND SI CLASS	6.74%	6.74%	7.02%	4.14%	3.55%	3.03%	4.58%
ICE BOFA U.S. 1-MONTH TREASURY BILL INDEX*	4.25%	4.25%	4.81%	3.17%	2.11%	1.25%	

\* Effective February 28, 2025, the Fund's benchmark changed to the ICE BofA U.S. 1-Month Treasury Bill Index (previously the 30-year U.S. Treasury securities crediting rate defined by the Internal Revenue Service).

**Calendar-Year Returns**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
PAYDEN MANAGED INCOME FUND SI CLASS	6.74%	8.13%	6.20%	-3.89%	3.97%	1.89%	6.36%	0.79%	3.19%	2.69%
TARGET RATE	4.58%	4.15%	3.66%	1.85%	1.67%	2.30%	3.10%	2.77%	3.11%	2.97%

**FUND DESCRIPTION**

CLASS:	SI
FUND INCEPTION:	Sep 22, 2008
TICKER:	PKBIX
CUSIP:	70432R200
TOTAL NET ASSETS:	\$120.0 Million
INVESTMENT MINIMUM: <sup>C</sup>	\$25,000
IRA MINIMUM: <sup>C</sup>	\$25,000
DIVIDENDS PAID:	Annually
DIVIDENDS (LAST 12 MOS):	\$0.818

**FUND STATISTICS**

INTEREST RATE DURATION: <sup>D</sup>	2.7 Years
CREDIT SPREAD DURATION: <sup>E</sup>	3.05 Years
30-DAY SEC YIELD: <sup>F</sup>	6.76%
30-DAY SEC YIELD: <sup>G</sup> (UNSUBSIDIZED)	5.68%

**EXPENSES<sup>H</sup>**

MANAGEMENT FEE:	1.10%
OTHER EXPENSES:	0.51%
TOTAL ANNUAL FUND OPERATING EXPENSES:	1.62%
WITH EXPENSE CAP:	0.66%

**PORTFOLIO MANAGEMENT**

	Years of Experience
Brian W. Matthews, CFA	42
Kristin J. Ceva, PhD, CFA	36
Nigel Jenkins, ASIP	36
Eric J. Souders, CFA	19
Alec B. Small, CFA	14

**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

Designed for investors seeking greater yield opportunity given credit focus with less interest rate sensitivity and reduced correlations to traditional asset classes. The fund is diversified across a wide menu of public fixed-income sectors with periodic equity exposure and is not intended to outperform stocks and bonds during strong market rallies.

## 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:** \$167 billion  
(as of 12/31/25)

**Payden Funds**

## FOOTNOTES

<sup>A</sup> Returns less than one year are not annualized. <sup>B</sup> The average daily yield of the 30-year U.S. Treasury Bond for the month of December of the prior year, as defined by the IRS. See <https://www.irs.gov/retirement-plans/weighted-average-interest-rate-table>. <sup>C</sup> The minimum initial investment may be modified for certain financial intermediaries that submit trades on behalf of underlying investors. Payden Funds' distributor may lower or waive the minimum initial investment for certain categories of investors at their discretion. <sup>D</sup> Interest rate duration is a measure of the Fund's price sensitivity to changes in interest rates. <sup>E</sup> Credit spread duration is a measure of the Fund's price sensitivity to changes in yield differences between non-government bonds and U.S. Treasuries. <sup>F</sup> The 30-day SEC yield represents the dividends and interest earned for a 30-day period, annualized, and divided by the net asset values per share at the end of the period. The SEC yield is computed under a standardized formula which assumes all portfolio securities are held to maturity. This value may differ from the actual distribution rate of the fund. <sup>G</sup> Represents a 30-day SEC yield without adjusting for fee waivers or expense reimbursements. <sup>H</sup> Total Annual Fund Operating Expenses include all direct operating expenses of the Fund, as well as 0.01% Acquired Fund Fees and Expenses incurred indirectly by the Fund through its investment in other mutual funds. Payden & Rygel ("Payden") has contractually agreed that, for so long as it is the investment adviser to the Fund, Total Annual Fund Operating Expenses After Fee Waiver or Expense Reimbursement will not exceed 1.25%. Please note that the 1.25% expense level does not include Acquired Fund Fees and Expenses, interest, taxes, and extraordinary expenses. Payden has contractually agreed to further waive its investment advisory fee or reimburse Fund expenses to the extent that the Total Annual Fund Operating Expenses After Further One-Year Fee Waiver or Expense Reimbursement exceed 0.65%. This agreement has a one-year term ending February 28, 2026. Please note that the 0.65% expense level does not include Acquired Fund Fees and Expenses, interest, taxes, and extraordinary expenses. <sup>I</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. **Interest Rate Risk:** As with most funds that invest in debt securities, the income on and value of your shares in the Fund will fluctuate along with interest rates. When interest rates rise, the market prices of the debt securities the Fund owns usually decline. When interest rates fall, the prices of these securities usually increase. 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. Investing in equity securities poses certain risks, including a sudden decline in a holding's share price, or an overall decline in the stock market. The value of the Fund's investment in any such securities will fluctuate on a day-to-day basis with movements in the stock market, as well as in response to the activities of individual companies whose equity securities the Fund owns. Fund price may fall when the U.S. stock market declines. Moreover, purchasing stocks perceived to be undervalued brings additional risks. For example, the issuing company's condition may worsen instead of improve, or the pace and extent of any improvement may be less than expected. The Payden Funds are distributed through Payden & Rygel Distributors, member FINRA.

## Portfolio Characteristics & Market Commentary

### SECTOR ALLOCATION

Emerging Markets	31%
Mortgage-Backed Securities	18%
CMBS	16%
High Yield	13%
Asset-Backed Securities	10%
Bank Loans	7%
Other	5%

### CREDIT ALLOCATION<sup>I</sup>

AAA	10%
AA	6%
A	7%
BBB	27%
BB	25%
B	12%
CCC	1%
Unrated	12%

### DURATION ALLOCATION

0-1 yr	-3%
1-3 yrs	77%
3-5 yrs	19%
5-7 yrs	12%
7+ yrs	-5%

## Market

- » Markets delivered mixed but generally positive performance as investors navigated an environment of resilient economic growth, a gradually softening labor market, and continued disinflation. Consumer spending and private investment, particularly in artificial intelligence, supported activity even as job creation slowed. Inflation moderated further, allowing the Federal Reserve to deliver two rate cuts and bringing total easing in 2025 to 75 basis points.
- » Rates were volatile, with short-term yields declining and long-term yields rising, producing modest curve steepening. Despite this, credit markets remained resilient as risk premiums compressed, supporting positive returns. Risk sentiment stayed cautious but constructive, allowing risk assets to perform amid intermittent volatility.

## Outlook

- » We see a bifurcated path ahead for the U.S. economy, with outcomes driven by labor market trends, growth momentum, and inflation. With credit risk premiums offering limited value, we remain modestly cautious and focus on yield optimization through disciplined relative-value positioning. Markets continue to price a "soft-landing", with expectations that the federal funds rate will settle near 3%, and that inflation indicators will remain stable.
- » We favor the short- and medium-term of the U.S. Treasury curve over longer maturities, which are more sensitive to supply pressure and policy uncertainty. Within credit, we prefer emerging-market debt given higher real yields, moderating inflation, and policy easing.
- » In developed-markets we remain selective, and prioritize higher-quality securitized credit, including commercial mortgage-backed securities (CMBS), where valuations remain attractive compared to lower-quality corporates.