

DECEMBER 31, 2025

Investment Strategy

The Payden Strategic Income Fund invests in a customized mix of fixed-income sectors across the entire bond universe and maturity curve. This strategy invests for the long term in a diversified mix of securities across multiple sectors, including emerging markets, high-yield and investment-grade corporates, and mortgage-backed and asset-backed securities.

Fund Highlights

- » Seeks income with a custom mix of investments across the yield curve.
- » Focuses on “best ideas” to uncover relative value opportunities globally, with the ability to invest anywhere.
- » Strategic investment time horizon encourages a flexible and creative approach to structuring the portfolio.

Performance^A

MONTHLY	YTD	1 YEAR	3 YEAR	5 YEAR	10 YEAR	SINCE INCEPTION (11-30-23)
PAYDEN STRATEGIC INCOME FUND ADVISER CLASS	6.59%	6.59%	–	–	–	6.59%
BLOOMBERG U.S. AGGREGATE BOND INDEX	7.30%	7.30%	–	–	–	5.75%

Calendar-Year Returns

2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
6.59%	4.75%	2.34%	–	–	–	–	–	–	–

FUND DESCRIPTION

CLASS:	Adviser
FUND INCEPTION:	Nov 30, 2023
TICKER:	PYSLX
CUSIP:	70432T750
TOTAL NET ASSETS:	\$182.4 Million
INVESTMENT MINIMUM: ^B	\$5,000
IRA MINIMUM: ^B	\$2,000
DIVIDENDS PAID:	Monthly
DIVIDENDS (LAST 12 MOS):	\$0.474

FUND STATISTICS

EFFECTIVE DURATION: ^C	3.9 Years
AVERAGE MATURITY:	5.7 Years
30-DAY SEC YIELD: ^D	5.52%

EXPENSES

TOTAL FUND OPERATING EXPENSES:	1.14% ^E
WITH EXPENSE CAP:	0.91%

PORTFOLIO MANAGEMENT

	Years of Experience
Michael E. Salvay, CFA	41
Kristin J. Ceva, PhD, CFA	36
Nigel Jenkins, ASIP	36
Natalie N. Trevithick, CFA	28
Timothy J. Crawmer, CFA	26

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 with a long-term investment horizon who seek higher income and diversification across the full bond universe.

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

^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 Funds' 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 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. ^E 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 and a Rule 12b-1 Distribution Fee of 0.25%. Payden & Rygel has contractually agreed to limit Total Annual Fund Operating Expenses After Fee Waiver or Expense Reimbursement to 0.65%. This agreement has a one-year term ending February 28, 2026. Please note that the 0.91% Expense Cap includes the 0.65% expense, the 0.25% 12b-1 Distribution Fees, and the 0.01% Acquired Fund Fees and 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.

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. **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

U.S. Government	26%
Investment Grade Corporates	20%
Securitized	20%
Agency MBS	10%
High Yield	9%
Emerging Market Debt	8%
Other	5%
Muni	2%

CREDIT ALLOCATION^F

AAA	14%
AA	38%
A	6%
BBB	22%
BB	12%
B	3%
Unrated	5%

DURATION ALLOCATION

0-1 yr	19%
1-3 yrs	20%
3-5 yrs	25%
5-7 yrs	18%
7-10 yrs	15%
10+ yrs	3%

Market

- » December closed the year with global fixed-income markets supported by easing central bank policy and growing confidence that peak policy rates are behind us. Softer growth data and continued disinflation weighed against resilient labor markets and persistent inflation in the services sector, keeping policymakers cautious. Overall, bond markets delivered solid returns for the year, with focus now turning to the pace of economic growth and the timing and scale of further policy easing.
- » In the U.S., markets were dominated by Federal Reserve (Fed) policy deliberations and delayed economic data due to the prolonged government shutdown. In December, the Fed delivered its third 25 basis point (bp) cut of the year to bring the federal funds rate to 3.50%-3.75%, but the decision was notably split, with three officials dissenting over the move as inflation remained above target and labor conditions weakened. On the data front, the release of backlog indicators following the government shutdown showed softer consumer confidence and moderating job openings, while nonfarm payrolls and weekly jobless claims continued to point to a labor market that is cooling but not deteriorating sharply. The S&P 500 ended the month down 0.05%; meanwhile, the yield on the 10-year U.S. Treasury ended the month at 4.17%.

Outlook

- » Our outlook for 2026 can be characterized as cautiously optimistic, though risks are skewed to the downside. The U.S. economy remains central to our global outlook, particularly given the unusual divergence between strong GDP growth and a weakening labor market, an imbalance we do not expect to persist in 2026. In our view, the U.S. economy faces a binary path: either re-accelerating as technology-driven productivity gains take hold or slipping into recession if labor market softness begins to weigh more broadly on economic activity.
- » We expect U.S. inflation is expected to continue moderating, which, combined with labor market weakness, should allow the Fed to continue easing policy toward neutral, and potentially beyond. Outside the U.S., most developed economies are likely to remain resilient, supported by benign economic growth, declining inflation, and accommodating, or further easing, monetary policy.
- » We prefer to distribute risk in our portfolios in a more balanced manner across duration and credit. Consistent with our central outlook, we continue to hold modest overweight positions in higher-quality credit sectors, including investment-grade corporates and select high-quality securitized assets.