

PAYDEN HIGH INCOME FUND ADVISER CLASS (PYRLX)

Payden Funds

DECEMBER 31, 2025

Investment Strategy

The Payden High Income Fund invests in corporate high-yield bonds, which provide a premium to U.S. Treasury bonds. The Fund generally invests in the higher-quality segment of the market and looks for companies with good growth prospects, superior and defensible products and strong management teams.

Fund Highlights

- » Primary focus on the upper tier (BB or B rated) of the global high-yield bond market.^A
- » Potential for both income and capital appreciation.

FUND DESCRIPTION

CLASS:	Adviser
FUND INCEPTION:	Nov 30, 2023
TICKER:	PYRLX
CUSIP:	70432T818
TOTAL NET ASSETS:	\$1.1 Billion
INVESTMENT MINIMUM: ^C	\$5,000
IRA MINIMUM: ^C	\$2,000
DIVIDENDS PAID:	Monthly
DIVIDENDS (LAST 12 MOS):	\$0.700

FUND STATISTICS

EFFECTIVE DURATION: ^D	3.0 Years
AVERAGE MATURITY:	6.2 Years
30-DAY SEC YIELD: ^E	5.47%

EXPENSES

TOTAL FUND OPERATING EXPENSES:	0.85% ^F
--------------------------------	--------------------

PORTFOLIO MANAGEMENT

Years of Experience

Natalie N. Trevithick, CFA	28
Timothy J. Crawmer, CFA	26
Jordan H. Lopez, CFA	21
Nicholas Burns III, CFA	14
Daniel N. Dupont, CFA	13

Performance^B

MONTHLY	YTD	1 YEAR	3 YEAR	5 YEAR	10 YEAR	SINCE INCEPTION (11-30-23)
PAYDEN HIGH INCOME FUND ADVISER CLASS	8.44%	8.44%	–	–	–	9.85%
ICE BOFA BB-B U.S. CASH PAY HIGH YIELD CONSTRAINED INDEX	8.68%	8.68%	–	–	–	9.12%

Calendar-Year Returns

2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
8.44%	8.38%	3.55%	–	–	–	–	–	–	–

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

High-Yield Bond – Appropriate for investors who seek higher yields and diversification in the growing \$1.5 trillion high-yield bond market.

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 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 lowest rating of Moody's, S&P, and Fitch. ^B Returns less than one year are not annualized. ^C 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. ^D Effective duration is a measure of the Fund's price sensitivity to changes in interest rates. ^E 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. ^F Total Annual Fund Operating Expenses include all direct operating expenses of the Fund and a Rule 12b-1 Distribution Fee of 0.25%.

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

Consumer Cyclical	19%
Financials	17%
Energy	13%
Communications	12%
Consumer Non-Cyclical	12%
Industrials	6%
Utilities	5%
Basic Materials	5%
Loans	5%
Other	4%
Cash	2%

CREDIT ALLOCATION^A

AAA	2%
BBB	3%
BB	35%
B	53%
CCC	6%
Unrated	1%

TOP-10 HOLDINGS

Banpu PCL	0.7%
Energizer Holdings, Inc	0.7%
Kimmeridge Texas Gas LLC	0.7%
California Buyer/Atlantica	0.6%
Calumet Inc	0.6%
G Holdings	0.6%
FR BR Holdings LLC	0.6%
Part/Finance	0.5%
LFS TopCo	0.5%
KeHE Distributors	0.5%

Market

- » High-yield bond returns this quarter were driven primarily by their coupon payments, as both rates and spreads (i.e., the difference between bond yields and comparable-maturity U.S. Treasury yields) ended the quarter where they began.
- » The ICE BofA BB-B U.S. Cash Pay High Yield Constrained Index returned +1.5% during the quarter. BB-rated bonds returned +1.6%, B-rated bonds returned +1.5%, and CCC-rated bonds returned -0.2%.
- » During the quarter, \$65 billion in new bonds were issued, though much of the proceeds were used to refinance existing debt, as net issuance was only \$25 billion. For the full year 2025, total new issuance reached \$332 billion, of which \$98 billion represented net new borrowing.
- » High-yield mutual fund and exchange-traded fund (ETF) flows were \$21 billion during the year.

Outlook

- » In our view, high-yield issuers are entering 2026 with sturdy fundamentals, which should help limit defaults overall. While idiosyncratic risks remain, systemic risk appears low.
- » Speculative issuance was limited in 2025, with the lowest-rated bonds (i.e., CCC) making up only 3% of new deals. As a result, these bonds represent less than 10% of the overall high-yield market, which is the lowest level in 25 years, and which should help reduce market volatility.
- » Current yields in the mid-6% range look attractive, but careful security selection and active management will continue to be important in 2026.