

DECEMBER 31, 2025

**Investment Strategy**

The Payden Floating Rate Fund's investment objective is to seek a high level of current income through floating-rate debt instruments, with a secondary objective of long-term capital appreciation. At least 80% of fund assets will be floating rate. The Fund generally invests in the higher-quality segment of the market and looks for companies with good growth prospects, superior products, and strong management teams.

**Fund Highlights**

- » High-yield loan focus. Opportunistic exposure to short-term high-yield corporates.
- » Payden primarily focuses on the higher quality end of the high-yield loan market. We believe that the risk-return profile of BB and high single-B rated loans is superior to that of lower-rated loans.
- » Due to the size of the Fund, we can buy the loans we want and get meaningful new issuance allocations, which is difficult for funds with assets above \$1 billion.
- » The primary risk to the Fund is a downturn in the economy.

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

MONTHLY	YTD	1 YEAR	3 YEAR	5 YEAR	10 YEAR	SINCE INCEPTION (11-11-13)
PAYDEN FLOATING RATE FUND SI CLASS	6.71%	6.71%	9.51%	6.53%	5.31%	4.71%
BLOOMBERG U.S. LEVERAGED LOAN INDEX*	5.51%	5.51%	8.99%	6.19%	–	5.80% <sup>B</sup>

\* Effective February 28, 2025, the Fund's benchmark changed from the Credit Suisse Institutional Leveraged Loan BB Index to the Bloomberg U.S. Leveraged Loan Index.

**Calendar-Year Returns**

2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
6.71%	8.99%	12.95%	0.51%	3.95%	1.92%	8.47%	0.57%	2.83%	6.94%

**FUND DESCRIPTION**

CLASS:	SI
FUND INCEPTION:	Nov 11, 2013
TICKER:	PYFIX
CUSIP:	704329218
TOTAL NET ASSETS:	\$131.8 Million
INVESTMENT MINIMUM: <sup>C</sup>	\$10,000,000
IRA MINIMUM: <sup>C</sup>	\$10,000,000
DIVIDENDS PAID:	Monthly
DIVIDENDS (LAST 12 MOS):	\$0.738

**FUND STATISTICS**

EFFECTIVE DURATION: <sup>D</sup>	0.4 Years
AVERAGE MATURITY:	4.9 Years
30-DAY SEC YIELD: <sup>E</sup>	6.44%
30-DAY SEC YIELD: <sup>F</sup> (UNSUBSIDIZED)	6.07%

**EXPENSES**

TOTAL FUND OPERATING EXPENSES:	0.94% <sup>G</sup>
WITH EXPENSE CAP:	0.61%

**PORTFOLIO MANAGEMENT**

	Years of Experience
Natalie N. Trevithick, CFA	28
Timothy J. Crawmer, CFA	26
Alfred Giles III, CFA	24
Jordan H. Lopez, CFA	21
Nicholas Burns III, 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

High-Yield Loans – Appropriate for investors who seek higher yields but do not want significant exposure to interest rate risk. Loans can be used as a hedge against rising interest rates in fixed-income portfolios as they are historically negatively correlated with U.S. Treasuries.

## 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)

## Portfolio Characteristics & Market Commentary

### ASSET TYPE ALLOCATION

Bank Loans	87%
Cash	6%
Corporate Bonds	4%
Asset Backed Securities	2%
Other	1%

### CREDIT ALLOCATION<sup>H</sup>

AAA	6%
AA	1%
BBB	5%
BB	39%
B	44%
CCC	3%
Unrated	2%

### TOP-10 HOLDINGS

First Reserve BR Holdings LLC	1.3%
PAC Aviation International	1.3%
Pitney Bowes Credit Union	1.1%
Quikrete	1.1%
Flynn Restaurant	1.1%
EP Wealth Advisors	1.1%
Frontier Communications	1.0%
Athenahealth	1.0%
TK Elevator	1.0%
Golden Nugget	1.0%

## Market

- » The Bloomberg U.S. Leveraged Loan Index returned +1.1% for the quarter. In contrast, high-yield bonds returned +1.4%, while high-grade bonds returned +0.8%.
- » During the quarter, \$171 billion was issued in new loans, though most of the proceeds were used to refinance and/or reprice debt, as net issuance was \$50 billion. Total issuance for 2025 was \$984 billion, of which \$199 billion reflected net borrowing.
- » The loan default rate was 2.9% (including distressed exchanges) over the trailing 12 months.

## Outlook

- » Loan issuers are more leveraged than their high-yield bond counterparts. While positive economic conditions are favorable for the asset class, loans are also more sensitive to any deceleration in growth.
- » Loans have outsized exposure to the technology sector relative to bonds, which will likely drive incremental volatility in 2026.
- » Valuations in loans are optically more attractive than in bonds; however, we believe that the relative yield advantage in loans can largely be explained by the lower-quality composition of the asset class overall. Security selection will be crucial in 2026.

# Payden Funds

## FOOTNOTES

<sup>A</sup> Returns less than one year are not annualized. <sup>B</sup> The performance of the Bloomberg U.S. Leveraged Loan Index since inception (5.80%) does not align with the Fund's inception date, as the index began on 01/31/2019. The Floating Rate Fund's performance since 01/31/2019 is 5.81%. <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> Effective duration is a measure of the Fund's price sensitivity to changes in interest rates. <sup>E</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>F</sup> Represents a 30-day SEC yield without adjusting for fee waivers or expense reimbursements. <sup>G</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 has contractually agreed to limit Total Annual Fund Operating Expenses After Fee Waiver or Expense Reimbursement to 0.60%. This agreement has a one-year term ending February 28, 2026. Please note that the 0.60% expense level does not include Acquired Fund Fees and Expenses, interest, taxes, and extraordinary expenses. <sup>H</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 Payden Funds are distributed through Payden & Rygel Distributors, member FINRA.