

DECEMBER 31, 2025

Investment Strategy

The Payden California Municipal Social Impact Fund generally invests in intermediate-maturity municipal bonds that are exempt from federal, state, and local taxes for California residents. The Fund seeks to provide attractive current income while preserving capital. Holdings are diversified across sectors and issuers.

Fund Highlights

- » Most income is exempt from federal and California state taxes.
- » Targets investments in which the use of proceeds is consistent with positive social and environmental outcomes.
- » Portfolio diversification tool.^A
- » No loads (other fees apply).

Performance^B

| MONTHLY | YTD | 1 YEAR | 3 YEAR | 5 YEAR | 10 YEAR | SINCE INCEPTION (12-17-98) |
|--|-------|--------|--------|--------|---------|----------------------------|
| PAYDEN CALIFORNIA MUNICIPAL SOCIAL IMPACT FUND | 5.14% | 5.14% | 4.60% | 1.59% | 2.73% | 3.52% |
| BLOOMBERG MUNICIPAL BOND M.F. CALIFORNIA INTERMEDIATE INDEX* | 5.73% | 5.73% | 3.59% | 0.91% | 2.08% | 3.85% |

* Effective February 28, 2025, the Fund will no longer use the Bloomberg Municipal Bond 7-Year Index as a benchmark. The Bloomberg Municipal Bond M.F. California Intermediate Index will remain as the Fund's benchmark.

Calendar-Year Returns

| 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|-------|-------|-------|--------|-------|-------|-------|-------|-------|--------|
| 5.14% | 1.99% | 6.74% | -6.40% | 1.02% | 5.57% | 7.82% | 0.58% | 6.03% | -0.38% |

FUND DESCRIPTION

| | |
|----------------------------------|-----------------|
| CLASS: | Investor |
| FUND INCEPTION: | Dec 17, 1998 |
| TICKER: | PYCRX |
| CUSIP: | 704329515 |
| TOTAL NET ASSETS: | \$281.0 Million |
| INVESTMENT MINIMUM: ^C | \$100,000 |
| IRA MINIMUM: ^C | \$100,000 |
| DIVIDENDS PAID: | Monthly |
| DIVIDENDS (LAST 12 MOS): | \$0.345 |

FUND STATISTICS

| | |
|---|------------|
| EFFECTIVE DURATION: ^D | 6.0 Years |
| AVERAGE MATURITY: | 15.7 Years |
| 30-DAY SEC YIELD: ^E | 3.09% |
| 30-DAY SEC YIELD: ^F (UNSUBSIDIZED) | 2.96% |

EXPENSES

| | |
|--------------------------------|--------------------|
| TOTAL FUND OPERATING EXPENSES: | 0.69% ^G |
| WITH EXPENSE CAP: | 0.45% |

PORTFOLIO MANAGEMENT

| | Years of Experience |
|------------------------|---------------------|
| Michael E. Salvay, CFA | 41 |
| Mary Beth Syal, CFA | 40 |
| Adam M. Congdon, 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 or call 800 572-9336.

Role In Portfolio

Appropriate for California taxpayers who would like to shelter income from state and federal taxes.

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

SECTOR ALLOCATION

| | |
|--------------------|-----|
| Revenue | 68% |
| General Obligation | 27% |
| Other | 5% |

CREDIT ALLOCATION^H

| | |
|---------|-----|
| AAA | 11% |
| AA | 77% |
| A | 10% |
| BBB | 1% |
| Unrated | 1% |

DURATION ALLOCATION

| | |
|----------|-----|
| 0-1 yr | 19% |
| 1-3 yrs | 9% |
| 3-5 yrs | 14% |
| 5-7 yrs | 23% |
| 7-10 yrs | 27% |
| 10+ yrs | 8% |

Market

- » The Bloomberg California Intermediate Municipal Bond Index returned 0.07% in December and 5.73% for the year, extending its streak to eight consecutive months of net positive returns since April.
- » After a volatile first half of 2025, during which municipal bonds returned -0.55% year-to-date as of the end of July, the market staged a strong recovery in the third and fourth quarters. The Bloomberg Municipal Bond Index returned 3.00% in the third quarter and 1.56% in the fourth quarter.
- » Longer-maturity bonds underperformed, as 20-year bonds returned -0.19%, while those with durations exceeding 22 years declined by -0.33%. In contrast, shorter-maturity bonds outperformed, with 1-year and 3-year bonds returning 0.33% and 0.36%, respectively.
- » For the year, performance was led by the intermediate portion of the yield curve, with 7-year and 10-year maturities returning 5.70% and 5.92%, respectively. Long-dated bonds again lagged, with maturities of 22 years and longer returning just 1.95%.

Outlook

- » The Federal Reserve's first rate cut of the year in September sparked a rally in rates and contributed to the largest monthly inflow since 2021 into both taxable and tax-exempt fixed-income funds. Additional support came from constructive economic data and the passage of the One Big Beautiful Bill Act, which reaffirmed the tax-exempt status of municipal bonds, allowing investors to absorb record levels of new issuance with ease. Looking ahead, we expect municipal supply to remain elevated in 2026 and likely exceed the \$580 billion issued in 2025, supported by continued positive municipal inflows and the ongoing growth of municipal ETF assets.
- » We maintain a favorable view of tax-exempt municipals, as taxable-equivalent yields remain high and relatively attractive, particularly for longer maturities given the historically steep municipal yield curve. The municipal curve is significantly steeper than the U.S. Treasury curve, with 20-year municipal bonds offering 117 basis points (bps) more yield than 10-year bonds, representing 79% of the additional yield pickup between 10- and 30-year yields. By comparison, 20-year U.S. Treasury bonds offer just 61 bps more, and we see potential for this relationship to normalize in 2026. Credit fundamentals for essential service providers remain insulated from federal support, and we remain selective in adding credit exposure despite broadly strong fundamentals.

Payden Funds

FOOTNOTES

^A Diversification does not ensure a profit or guarantee against loss. ^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 Represents a 30-day SEC yield without adjusting for fee waivers or expense reimbursements. ^G Payden & Rygel has contractually agreed to limit Total Annual Fund Operating Expenses After Fee Waiver or Expense Reimbursement to 0.45%. This agreement has a one-year term ending February 28, 2026. Please note that the 0.45% expense level does not include Acquired Fund Fees and Expenses, interest, taxes, and extraordinary expenses. ^H 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.

Social Impact Investing Risk: The Fund's policy of investing in municipal securities for which, in the Adviser's opinion, the proceeds raised are used consistent with positive social and/or environmental practices and outcomes could cause the Fund to perform differently compared to other mutual funds that do not have such a policy. The factors that the Adviser considers in evaluating an investment's positive social and/or environmental benefits are part of a proprietary security selection methodology and may change over time. There are differences in interpretations of what it means to promote positive social and/or environmental benefits. While the Adviser believes its definitions are reasonable, the portfolio decisions it makes may differ with others' views.

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. 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. Income from municipal securities may be subject to the Federal alternative minimum tax. The Payden Funds are distributed through Payden & Rygel Distributors, member FINRA.