

DECEMBER 31, 2025

**Investment Strategy**

The Payden Equity Income Fund invests primarily in large-capitalization common stocks with above-average dividend yields and other income-producing securities such as preferred stocks, master limited partnerships (MLPs), and real estate investment trusts (REITs). The Fund focuses on companies that have strong fundamentals and are expected to achieve positive earnings and dividend growth.

**Fund Highlights**

- » The Fund seeks to provide current income and equity-market participation through a variety of stocks, sectors, and security types such as common and preferred stocks, MLPs, and REITs.
- » The Fund seeks to achieve lower volatility and better risk-adjusted returns than competitors and the broad market overall.<sup>A</sup>

**FUND DESCRIPTION**

CLASS:	Investor
FUND INCEPTION:	Nov 01, 1996
TICKER:	PYVLX
CUSIP:	704329739
TOTAL NET ASSETS:	\$1.0 Billion
INVESTMENT MINIMUM: <sup>C</sup>	\$100,000
IRA MINIMUM: <sup>C</sup>	\$100,000
DIVIDENDS PAID:	Quarterly
DIVIDENDS (LAST 12 MOS):	\$0.207

**FUND STATISTICS**

BETA <sup>D</sup>	0.7
PRICE-TO-BOOK RATIO <sup>E</sup>	3.3x <sup>I</sup>
PRICE-TO-CASH-FLOW RATIO <sup>F</sup>	12.9x <sup>I</sup>
PRICE-TO-EARNINGS RATIO <sup>G</sup>	23.4x <sup>I</sup>
WEIGHTED AVG MARKET CAP <sup>H</sup>	\$537.9 B

**Performance<sup>B</sup>**

MONTHLY	YTD	1 YEAR	3 YEAR	5 YEAR	10 YEAR	SINCE INCEPTION (11-01-96)
PAYDEN EQUITY INCOME FUND	11.40%	11.40%	10.79%	9.36%	9.60%	7.25%
RUSSELL 1000 VALUE INDEX	15.88%	15.88%	13.85%	11.29%	10.50%	8.93%

**EXPENSES**

TOTAL FUND OPERATING EXPENSES:	0.76% <sup>J</sup>
--------------------------------	--------------------

**Calendar-Year Returns**

2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
11.40%	15.91%	5.36%	-6.71%	23.28%	0.74%	27.95%	-6.69%	15.70%	14.92%

**PORTFOLIO MANAGEMENT**

	Years of Experience
James T. Wong, CFA	33
Natalie N. Trevithick, CFA	28
Alfred Giles III, CFA	24
Micheal Huynh, CFA	21

*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

Large-Capitalization Value – Appropriate for conservative equity investors who seek current income and moderate exposure to equity markets.

## 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)

## FOOTNOTES

<sup>A</sup> A risk-adjusted return measures the amount of total return per unit of risk. <sup>B</sup> Returns less than one year are not annualized. <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> Beta is a measure of sensitivity of a portfolio's movement versus that of the overall market. <sup>E</sup> Price-to-book is the current stock price divided by the book (net asset) value per share. <sup>F</sup> Price-to-cash-flow is the current stock price divided by the trailing 12-month cash flow per share. <sup>G</sup> Price-to-earnings is a stock's current price divided by next year's expected earnings per share. <sup>H</sup> Weighted average market capitalization is the market capitalization (number of outstanding shares multiplied by the current share price) of each holding weighted by its percentage allocated within the portfolio. <sup>I</sup> Multiples represent the common stock portion of the Fund only and exclude preferred stock, real estate investment trusts and master limited partnerships. <sup>J</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.

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 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

Financials	26%
Industrials	13%
Health Care	13%
Technology	11%
Communication Services	8%
Utilities	7%
Consumer Discretionary	6%
Consumer Staples	5%
Energy	4%
Other	4%
Real Estate	3%

### SECURITY TYPE ALLOCATION

Common Stock	90%
REIT	4%
Cash	2%
Master Limited Partnerships	2%
Preferred Stock	2%

### TOP-10 STOCK HOLDINGS

JPMorgan Chase	4.3%
Alphabet Inc-Class A	4.0%
Wells Fargo	2.8%
Morgan Stanley	2.7%
Amazon.com	2.6%
Bank Of America	2.6%
Blackrock	2.2%
GE Aerospace	2.1%
Merck & Co	2.0%
Duke Energy	2.0%

## Market

- » U.S. equities posted positive gains in the fourth quarter with the S&P 500 up +2.7%, helping cap off another year of double-digit returns.
- » Equity markets surged to record highs, driven by stronger-than-expected corporate earnings, increased clarity on trade policy, and rising optimism around Federal Reserve rate cuts, which helped offset concerns over elevated valuations.
- » Sector performance was largely positive, led by health care (+11.7%), communications (+7.3%), and financials (+2.0%), while interest rate-sensitive areas lagged with real estate (-2.9%), utilities (-1.4%), and consumer staples (+0.0%) as the worst performers.

## Outlook

- » We maintain a constructive 12-month outlook on the U.S. equity market supported by expectations for robust corporate earnings growth, continued economic expansion, and lower interest rates.
- » We are positive on banks, as lower rates and a more favorable regulatory environment should support profitability. We also favor the technology, utilities, and industrials sectors benefiting from secular tailwinds such as rising power demand, automation, and AI adoption.
- » Thematically, we expect increased focus on high-quality companies with durable cash flows and strong balance sheets, alongside portfolio diversification to mitigate risks from elevated equity valuations and market concentration.