

FACT SHEET

The Payden Global Income Opportunities Fund (the Fund) is managed by Payden & Rygel (Payden) and is an actively managed fund designed to provide investors access to a highly diversified and well-researched portfolio of global fixed income and equity-related investments from developed and emerging markets.

Investment objective

The Funds aims to provide a return of Bloomberg AusBond Bank Bill Index¹ +250 basis points (after fees), over the medium term and pay quarterly income distributions.

Investment strategy

Traditional bond funds are managed against an applicable bond index, which are generally most heavily weighted to the biggest debtors. The fund might be a passive fund that seeks to replicate an index, or an active fund that seeks to track an index – either way, the fund may have more exposure to fixed income securities and countries with significant amounts of outstanding debt. If the index has a longer duration profile (i.e. holds longer-dated securities), the fund generally reflects that duration too.

This Fund is an unconstrained strategy, which means it is not designed to replicate or beat a specific fixed income benchmark; rather it focuses on achieving a positive return. It is designed to be better able to navigate the complexities of the evolving fixed income landscape and changing economic environment.

As a result, Payden has the flexibility to alter the Fund's investment mix to find the best opportunities across securities, duration and geography.

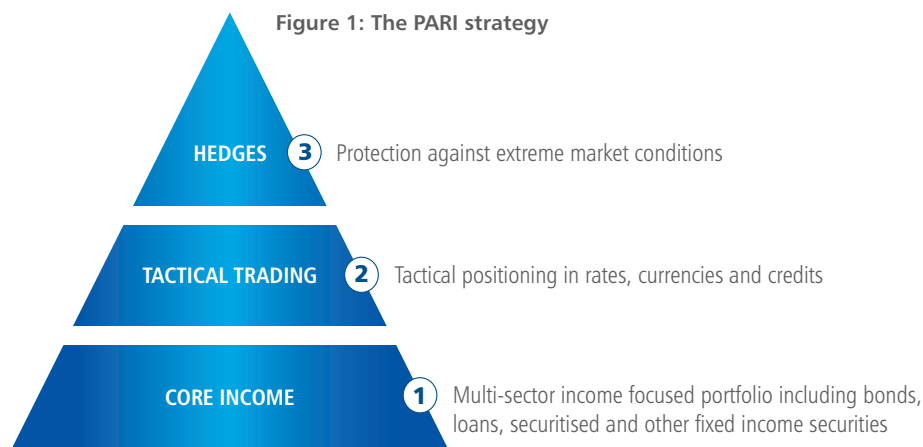
Investment process

The Fund is managed using the Payden Absolute Return Investing – or PARI – strategy; the process focuses on constructing the portfolio from a top down view and emphasises income generation in its core positions.

It is based on three core concepts:

- ① Produce positive returns – Bloomberg AusBond Bank Bill Index + 250 basis points (after fees) by investing in a range of securities to capture 'smart yield'. The foundation of Payden's strategy is a short duration fixed income portfolio where risk premiums from global interest rate curves and credit markets provide dependable and repeatable returns.
- ② Tactical 'alpha trades' in rates, currencies or sectors, taking the best ideas from across the Payden teams and applying them to the portfolio in a risk controlled manner.
- ③ Minimise downside risk – minimise the risk of loss by using an average of 50bp of running yield to buy tail risk hedges.

Figure 1: The PARI strategy



Source: Payden & Rygel

¹ Bloomberg Finance L.P. and its affiliates (collectively, "Bloomberg") do not approve or endorse this material and disclaim all liability for any loss or damage of any kind arising out of the use of all or any part of this material.

FUND FACTS & FEES	
APIR CODE	GSF0008AU
INCEPTION DATE	18 SEPTEMBER 2012
BENCHMARK	BLOOMBERG AUSBOND BANK BILL INDEX
MINIMUM INVESTMENT	\$25,000
UNIT VALUATION	DAILY
APPLICATIONS AND WITHDRAWALS	DAILY
DISTRIBUTION FREQUENCY	QUARTERLY
RESPONSIBLE ENTITY	GRANT SAMUEL FUND SERVICES LIMITED
INVESTMENT MANAGER	PAYDEN & RYGEL
CUSTODIAN AND ADMINISTRATION	J.P. MORGAN CHASE BANK N.A. (SYDNEY BRANCH)
UNIT REGISTRY	FUNDBPO PTY LTD
ESTABLISHMENT FEE	NIL
CONTRIBUTION FEE	NIL
WITHDRAWAL FEE	NIL
MANAGEMENT COSTS	0.73% P.A. OF THE NET ASSET VALUE (INCLUSIVE OF THE NET IMPACT OF GST)
BUY/SELL SPREAD	BUY +0.10% / SELL -0.10%

How is this Fund different to other Global Fixed Income Funds?

There are a number of features that differentiate the Payden Global Income Opportunities Fund from other global fixed income products:

- Managed using the proprietary PARI approach, the Fund is unconstrained by a benchmark that dictates its duration, country or sector allocation, or security selection
- The integration of risk management into the portfolio construction process, including the allocation of a percentage of the portfolio to purchase tail risk hedge protection
- Managed by a specialist investment house that is large enough to get access to new issues, but small enough to execute trades nimbly, using cash rather than derivatives
- Payden strongly believes that portfolios should be constructed so they are not dependent on a single economic outcome or thesis; in other words, Payden ensures that no single theme or risk factor dominates asset allocation or performance.

The investment manager

Payden & Rygel is an independent global investment manager, founded in 1983, and privately owned by twenty-two senior executives, including CEO Joan Payden. The company's investment team is made up of a highly qualified group of professionals, many of whom have worked together for two decades, to bring considerable investment experience and stability to Payden's investment process.

Payden manages over A\$152 billion (as at 31 March 2018) for more than 350 clients worldwide, with approximately A\$9.0 billion in its PARI strategy.

For more information about the Payden Global Income Opportunities Fund

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Important information

Grant Samuel Fund Services Limited ABN 48 129 256 104 AFSL 321517 (Grant Samuel Fund Services) is the responsible entity of the Payden Global Income Opportunities Fund ARSN 130 353 310 (Fund) and is the issuer of this information. This information has been prepared without taking account of the objectives, financial situation or needs of individuals. Before making an investment decision in relation to the Fund, investors should consider the appropriateness of this information, having regard to their own objectives, financial situation and needs and read and consider the product disclosure statement for the Fund dated 1 August 2018 (PDS) and the Additional Information to the Product Disclosure Statement. The PDS may be obtained by contacting Grant Samuel Funds Management on 1300 133 451 or from www.gsfm.com.au. Applications to invest in the Fund must be made on the application form which accompanies the PDS. This document is issued on 6 August 2018. ©2018 Grant Samuel Fund Services Limited.