

The Payden Global Income Opportunities Fund is an actively managed fund designed to provide investors access to a highly diversified and well-researched portfolio of global fixed income from developed and emerging markets.

ABOUT THE FUND

Investment objective

The Funds aims to provide a return of +2.5% (after fees) above the Bloomberg AusBond Bank Bill Index over the medium term and pay quarterly income distributions.

Investment philosophy

Traditional bond funds are managed against an applicable bond index, which are generally most heavily weighted to the biggest debtors.

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.

Being unanchored from traditional benchmarks allows Payden the flexibility to search for attractively valued assets. The result is a 'best ideas' portfolio that reflects the most promising risk-adjusted opportunities around the globe.

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 APPROACH

PARI strategy

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.



Source: Payden & Rygel

ABOUT PAYDEN & RYGEL

Payden & Rygel is an independent global investment manager, founded in 1983, and privately owned by 22 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.



BRIAN MATTHEWS, CFA
Managing Principal

Years at Payden: 33 yrs

Investment officer at Brown Brothers Harriman & Company



SCOTT WEINER, PhD
Managing Principal

25 yrs

Senior strategy member of investment arm of First Interstate, strategist at Goldman Sachs



ERIC SOUDERS, CFA
Senior Vice President

2 yrs

Portfolio Manager at Guggenheim Partners and Blackrock, and BNY Mellon

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.

Understand the cash flow structure; focus on companies that generate cash earnings and assess the quality and character of those earnings
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. Risk management is paramount; before the team considers the direction of markets or the value opportunities that are presented, their first responsibility is to protect an investor's principal against the potential for loss.

FUND INFORMATION

FUND FACTS AND FEES

APIR CODE	GFS0008AU
INCEPTION DATE	18 SEPTEMBER 2012
BENCHMARK	BLOOMBERG AUSBOND BANK BILL INDEX
AVERAGE NO OF HOLDINGS	250
MINIMUM INVESTMENT	\$25,000
UNIT VALUATION	DAILY
APPLICATIONS/WITHDRAWALS	DAILY
DISTRIBUTIONS	QUARTERLY
RESPONSIBLE ENTITY	GSFM RESPONSIBLE ENTITY SERVICES LIMITED
INVESTMENT MANAGER	PAYDEN & RYGEL
CUSTODIAN & ADMINISTRATION	J.P. MORGAN CHASE BANK N.A. (SYDNEY BRANCH)
UNIT REGISTRY	MAINSTREAM FUND SERVICES
ESTABLISHMENT FEE	NIL
CONTRIBUTION FEE	NIL
WITHDRAWAL FEE	NIL
MANAGEMENT COSTS	0.73% P.A.
BUY/SELL SPREAD	BUY +0.10% / SELL -0.10%

How is this Fund different to other 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.

For more information about the Payden Global Income Opportunity Fund

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Important information

GSFM Responsible Entity Services Limited ABN 48 129 256 104 AFSL 321517 (GRES) is the responsible entity of the Payden Global Income Opportunities Fund ARSN 130 353 310 (Fund) and the issuer of this document. The Fund is registered as a managed investment scheme under the Corporations Act 2001 (Cth). GRES has appointed Payden & Rygel as the investment manager of the Fund.

Before making an investment decision in relation to a Fund, investors should consider the appropriateness of this information, having regard to their own objectives, financial situation and needs. Prospective investors should read and consider the product disclosure statement for the Fund dated 25 March 2019 and the Additional Information to the Product Disclosure Statement which can be obtained by contacting GSFM Pty Ltd on 1300 133 451 or at www.gsfm.com.au. This document is issued on 15 May 2019.

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