

February 2020

Fund overview

The Payden Global Income Opportunities Fund (the Fund) uses an unconstrained investment strategy, one that's not managed against a benchmark.

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.

Payden's investment approach focuses on three areas:

1. Multi-sector income focused portfolio including bonds, loans, securities fixed income; represents approx. 80-90% of historic strategy returns
2. Tactical positioning in rates, currencies & spread product
3. Protection against extreme market conditions, dampen drawdowns.



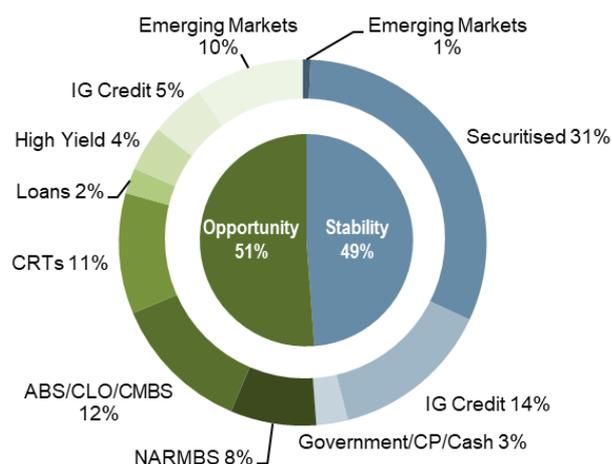
Source: Payden & Rygel

Fund characteristics

at 29 February 2020

Number of positions	258
Average rating	BAA2
Price	99.68
Current yield	3.77%
Duration	2.02
Spread Duration	3.23
Yield to Maturity	2.22%

Sector allocation at 29 February 2020



Performance

As at 29 February 2020

	1 month %	3 months %	1 year %	3 years % pa	5 years % pa	7 years % pa	Since inception ¹ % pa
Fund ²	0.36	1.33	4.33	3.02	3.39	3.50	3.71
Benchmark ³	0.08	0.23	1.30	1.68	1.85	2.11	2.18
Value added	0.28	1.10	3.03	1.34	1.54	1.39	1.53

1. Inception Date: 18 September 2012

2. Fund returns are calculated net of management fees

3. Bloomberg AusBond Bank Bill Index

Past performance is not a guide to future performance

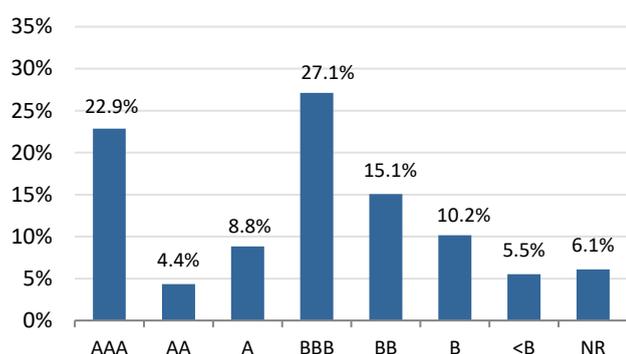
Fund facts

Regional allocation at 29 February 2020

Europe	10.5%
Australia	1.5%
North America	79.1%
Latin America	3.2%
Asia/Oceania	2.7%
MidEast/Africa	3.1%

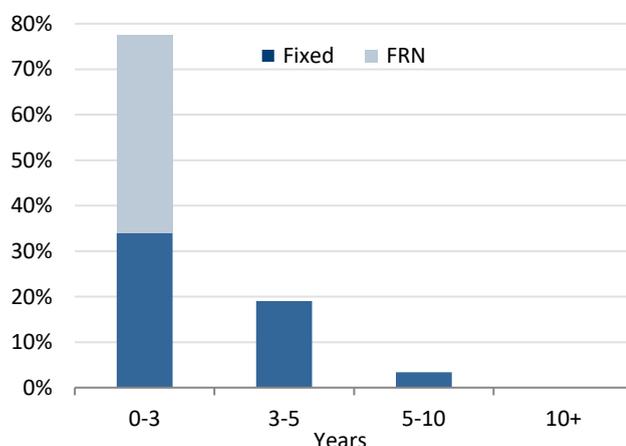
May not total due to rounding

Rating at 29 February 2020



May not total due to rounding

Maturity at 29 February 2020



Manager commentary

Month in review

In February, developments from COVID-19 (coronavirus) dominated headlines and caused volatility to increase meaningfully across asset classes. Specifically, equity markets dropped sharply, with the S&P 500 returning -8.2% and the MSCI World returning -8.1%. In addition, concern over global demand for commodities caused oil prices to drop by 13.2%, impacting both corporate credit and equities across commodity-related businesses. Because of the uncertainty around the virus and corresponding economic implications, global rates rallied in conjunction with the decline in risk assets, leading to all-time lows in the United States. For context, the 10-year U.S. Treasury yield closed the month at 1.15%. Lower quality credit performed the worst as risk premiums expanded to north of 10%, levels not seen since mid-2016.

Fund review

Despite increasing concerns surrounding the global spread of coronavirus, the Fund produced positive performance as the decline in government bond yields more than offset wider credit spreads. The virus-related sell-off has made security selection paramount whereby the strategy is prudently adding exposure in short-maturity high yield corporates and hard currency emerging market sovereigns. The Fund is now in a position to selectively add risk, given the reduction in risk and rotation out of high yield bonds and loans since the middle of 2019 after the large rally in spreads.

All in all, the mix between stable and return-seeking assets is evenly split, with ample liquidity available to be deployed. As volatility increased, the Fund's tail risk hedges moved materially in-the-money, adding nearly 0.2% to performance. New issue participation included the following deals: **Investment Grade** – Carrier Global, Otis Worldwide **Emerging Market** – Muthoot Finance **Securitized** – CAS (Fannie Mae), STACR (Freddie Mac)

Outlook

While rising fears of a global pandemic remain, we expect the global economic data to take a hit, at least in the first quarter of 2020. Historically, virus outbreaks do not permanently impair the global economy's productive capacity. As such, economic activity and corporate earnings will rebound as the year progresses. In the meantime, uncertainty, mixed with human emotions, means further volatile market swings ahead. Fortunately, the strategy remains balanced across subsectors with elevated liquidity. With that, while valuations have cheapened across asset classes, they do not look overly compelling relative to longer-term history. As such, we are being very selective regarding adding incremental risk as it is unclear the extent to which coronavirus will impact the global economy and to what extent central bank accommodation will help boost confidence.

See gsfm.com.au for more information about the Payden Global Income Opportunities Fund.

Important Information

Bloomberg Finance L.P. and its affiliates (collectively, “Bloomberg”) are not affiliated with GSFM Responsible Entity Services Pty Limited and do not approve, endorse, review, or recommend the Payden Global Income Opportunities Fund. Bloomberg and the Bloomberg AusBond Bank Bill Index are trademarks or service marks of Bloomberg and have been licensed to GSFM Responsible Entity Services Pty Limited. Bloomberg does not guarantee the timeliness, accurateness, or completeness of any data or information relating to the Bloomberg AusBond Bank Bill Index.

The information contained in this document reflects, as of the date of publication, the views of Payden & Rygel and sources believed by Payden & Rygel to be reliable. There can be no guarantee that any projection, forecast or opinion in these materials will be realised. The views expressed in this document may change at any time subsequent to the date of issue.

GSFM Responsible Entity Services Pty 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 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 25 March 2019 (PDS) and the Additional Information to the Product Disclosure Statement which can be obtained from www.gsfm.com.au or by calling 1300 133 451. Past performance information given in this document is given for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance. None of GRES, its related bodies or associates nor any other person guarantees the repayment of capital or the performance of the Fund or any particular returns from the Fund. No representation or warranty is made concerning the accuracy of any data contained in this document. This document is issued on **18 March 2020**.