

November 2020

## Fund overview

The Payden Global Income Opportunities Fund (the Fund) uses an unconstrained investment strategy, one that is 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.



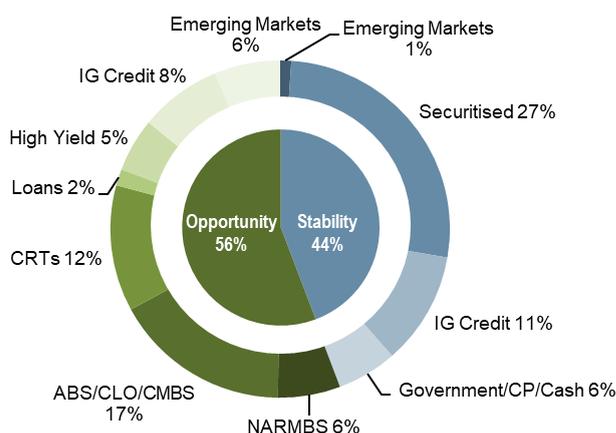
Source: Payden & Rygel

## Fund characteristics

at 30 November 2020

Number of positions	256
Average rating	BAA2
Price	99.12
Current yield	2.64%
Duration	1.63
Spread Duration	3.31
Yield to Maturity	2.16%

## Sector allocation at 30 November 2020



## Performance

As at 30 November 2020

	1 month %	3 months %	1 year %	3 years % pa	5 years % pa	7 years % pa	Since inception <sup>1</sup> % pa
Fund <sup>2</sup>	1.20	1.83	-0.22	1.73	2.68	3.12	3.17
Benchmark <sup>3</sup>	0.01	0.03	0.44	1.31	1.56	1.83	2.01
Value added	1.19	1.80	-0.66	0.42	1.12	1.29	1.16

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**

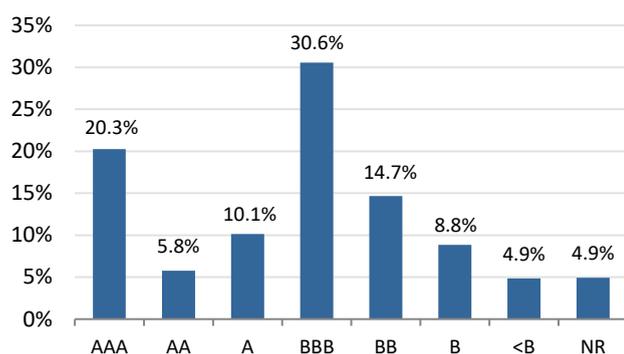
## Fund facts

### Regional allocation at 30 November 2020

Europe	15.0%
Australia	0.5%
North America	77.2%
Latin America	2.3%
Asia	1.9%
MidEast/Africa	2.8%
Jersey, Channel Islands	0.2%

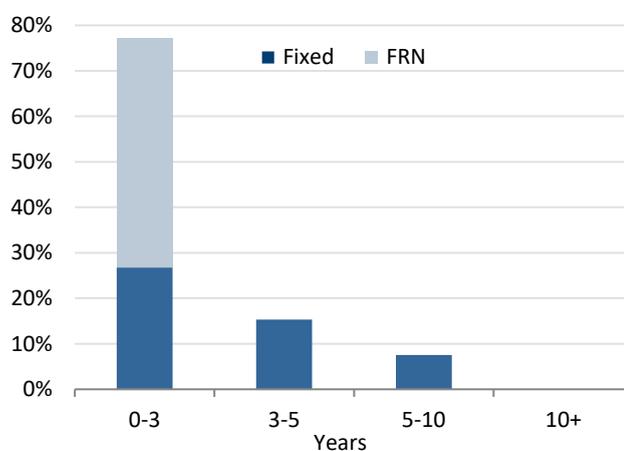
May not total due to rounding

### Rating at 30 November 2020



May not total due to rounding

### Maturity at 30 November 2020



### 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](http://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 **09 December 2020**.

## Manager commentary

### Month in review

In November, the much-awaited U.S. election concluded with Vice President Joe Biden defeating Donald Trump. Covid-19 cases and hospitalisations surged globally, particularly in the euro area and the U.S. With the return of strict lockdown measures, case counts in the euro area began to decline. Dining reservations and other activity indicators across the region also fell to near-March lows, suggesting potential for a "double-dip" in the euro area's Q4 GDP readings. In the U.S., rising cases and alarming hospitalisation rates did not have the same impact, with U.S. air travel for the Thanksgiving holiday setting a post-pandemic high for the number of travellers. Service sector Purchasing Managers Indices for November showed the same theme. The euro area service sector Purchasing Managers Index fell to 41.7, while the U.S. service sector Purchasing Managers Index improved to 58.4. Equity markets had their best month since April, on the back of stellar news on the clinical trials of the Pfizer, Moderna, and AstraZeneca vaccines and with a near conclusion of the U.S. Presidential transition process.

### Fund review

Investment grade new issuance picked up in November on the heels of the U.S. election and positive Covid-19 vaccine news. Although the election remains contested and COVID cases are surging globally, risk assets rallied over the course of the month with hopes that the end is near, and that the economic recovery can continue in lagging sectors. As we approach year-end, we are optimistic given strong market technicals and recovering fundamentals but remain balanced given the uncertainty of the vaccine roll-out timeline. Our participation in Investment Grade Corporates and High-Yield was more active in November, however we maintain a preference toward Securitised product given fair corporate valuations and further room to recover in areas of Securitised where there was no Fed support to expedite the rebound. In Securitised product, we participated in a new issue Credit Risk Transfer and a Triple-Net Lease Asset Backed Security deal before new issue supply waned into month-end. **Investment Grade** – Verizon, Allianz, Volkswagen **High Yield** – Ford, Axalta, Societe Generale **Securitised** – STACR (Freddie Mac), OAKIG (Triple-Net Lease ABS)

### Outlook

While the virus looms, service providers are adapting as positive news on the vaccines portends a services-led recovery in 2021. Moreover, we are likely to see a strong recovery in GDP and labour market conditions. Monetary policy is expected to be dovish through at least the end of next year and perhaps beyond effectively keeping front-end interest rates low. Furthermore, negative "real" yields will likely continue to fuel risk-asset demand. Although we expect the global economy to recover and the widespread availability of a vaccine to support asset prices, asset valuations are becoming stretched. That said, the strategy remains disciplined, focused on security selection and a well-diversified, balanced portfolio across asset classes.

See [gsfm.com.au](http://gsfm.com.au) for more information about the Payden Global Income Opportunities Fund.