Payden&Rygel

Payden Global Income Opportunities Fund

March 2026

Fund Overview

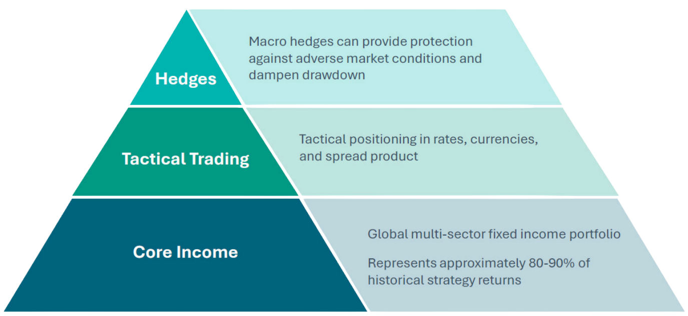
INVESTMENT PHILOSOPHY

Purpose	• Global portfolio seeking to balance stable returns and capital preservation
Objectives	• Positive returns in short-term (1-2yrs) • Cash +2-3%, net of fees,* over medium-term (3-5yrs)
Key Attributes	• 16yr+ track record • Fixed income, public markets only • Benchmark agnostic • Investment Grade rated fund • Limited interest rate sensitivity
Key Asset Classes	• Corporates: IG and HY Bonds • Emerging Market Debt • Securitised Credit • Derivatives for risk management
Benefits	• Broad fixed income like returns with less volatility • Dynamic asset allocation • Ratings and sector limits for risk management

INVESTMENT APPROACH

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.

Payden's investment approach focuses on three areas:

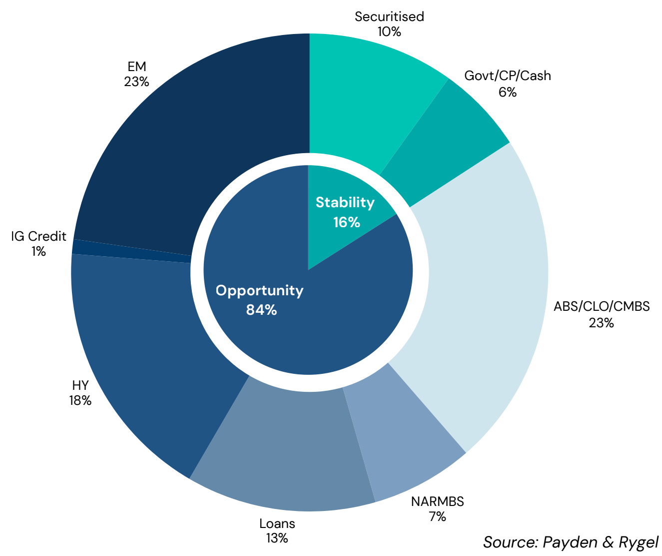


Fund Characteristics

SUMMARY DATA

Number of positions	198
Average rating	BAA3
Current Yield	5.99%
Duration	2.80
Spread Duration	3.42
Option-Adjusted Spread	238
Yield to Maturity	6.77%

SECTOR ALLOCATION



Source: Payden & Rygel

REGIONAL ALLOCATION

MidEast/Africa	3.1%
Asia/Oceania	1.9%
Europe	14.2%
Latin America	11.8%
North America	69.0%

Performance

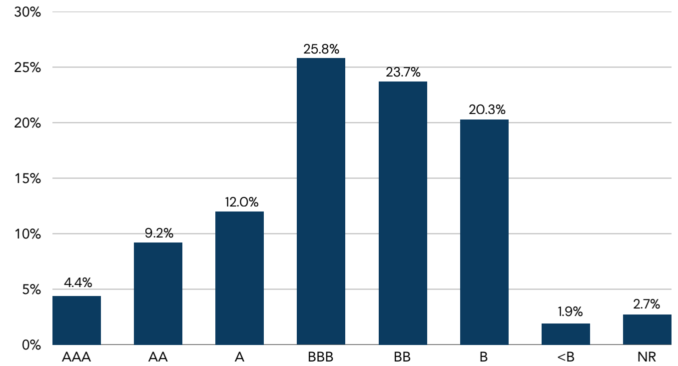
as at 31 March 2026

	1 month %	3 months %	1 year %	3 years %	5 years % pa	7 years % pa	10 years % pa	Since Inception[1] % pa
Fund[2]	(1.56)	(0.72)	3.07	4.24	2.19	2.07	2.49	2.83
Benchmark[3]	0.32	0.91	3.80	4.15	2.89	2.25	2.14	2.28
Value Added	(1.88)	(1.63)	(0.73)	0.09	(0.70)	(0.18)	0.35	0.55

1. Inception date: 18 September 2012
2. Fund returns are calculated net of management fees and assuming all distributions are reinvested
3. Bloomberg AusBond Bank Bill Index

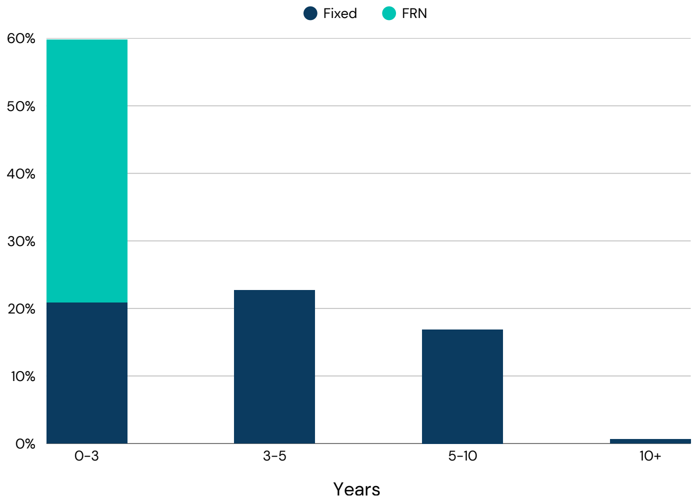
Past performance is not a guide to future performance

RATING



Source: Payden & Rygel

DURATION



Source: Payden & Rygel

Manager Commentary

In the first quarter of 2026, fixed income markets were shaped by a combination of resilient but moderating U.S. macro fundamentals and rising geopolitical uncertainty. Growth remained near trend (~2%) following a strong end to 2025, while a weakening labour market and gradually cooling core inflation pointed to limited upside pressure on underlying inflation. However, escalating tensions in Iran, particularly risks to energy flows through the Strait of Hormuz, introduced episodic volatility and pushed yields higher amid concerns over an energy-driven inflation shock. Despite this, credit spreads remained relatively contained and did not meaningfully reprice, even as the broader macro backdrop became less supportive and pockets of weakness emerged across labour markets and risk assets. The Federal Reserve maintained a cautious stance, holding rates steady as it balanced near-term inflation risks against signs of softening economic momentum.

Performance

Against this backdrop, Fund positioning remained measured but increasingly opportunistic, with an emphasis on selectivity and risk management. While valuations remained relatively tight and macro uncertainty persisted, the strategy team rotated within credit, reducing exposure to investment grade corporates and non-agency RMBS, while increasing exposure to select opportunities including high yield, loans, and more insulated sectors such as commercial mortgage-backed securities (CMBS). This repositioning reflects a modest increase in risk-taking to capture income opportunities while maintaining a disciplined approach to overall portfolio risk.

At the same time, the team increased exposure to U.S. duration, particularly in the front to intermediate part of the curve, where valuations improved following the repricing in yields and where risk-reward appeared more favourable across varying macro scenarios. Exposure to emerging market (EM) local rates was also modestly reduced in regions more sensitive to higher energy prices or European growth dynamics, reflecting a more defensive tilt. While we believe duration offers value, we are cognizant that rates are currently highly correlated with oil prices and are not consistently providing their typical diversification benefits to credit within the portfolio. As such, despite more attractive rates pricing, portfolio duration is only modestly above its historical average as we continue to assess both market pricing and the broader macro environment.

Performance over the quarter was negative, driven primarily by higher rates and weakness in emerging market exposures. EM positions were the largest detractor, particularly in local markets, as rising U.S. yields, stronger oil prices, and associated currency pressure weighed on returns. Credit also faced headwinds, with high yield and investment-grade corporates posting negative returns amid spread widening and a more challenging risk backdrop. In contrast, securitized credit provided a positive contribution, supported by carry and relatively stable performance. Tactical FX trades also added to performance, reflecting a range of positions across currencies. Options positions contributed positively during periods of heightened volatility, helping to partially offset broader market weakness.

Outlook

Looking ahead, the outlook remains highly path-dependent, with energy markets and policy responses likely to be the primary drivers of fixed income performance. A wide range of outcomes persists: de-escalation could lower yields and support risk assets, while a sustained energy shock could tighten financial conditions and weigh on growth, ultimately leading to lower yields through demand destruction, albeit with near-term volatility. This dynamic creates an asymmetry between rates and credit where duration is positioned to perform across a broader set of scenarios, but credit remains more contingent on a benign growth and inflation backdrop. At the same time, both rates and credit remain vulnerable to a persistent energy-driven inflation shock, where yields and spreads could come under pressure simultaneously. In this environment, maintaining flexibility, incremental positioning, and valuation discipline remains critical, as markets have yet to fully price the range of potential outcomes.

DISTRIBUTIONS

The Fund aims to pay distributions on a quarterly basis. A distribution of 0.0100 cents per unit was paid for the quarter ended 31 March 2026.

FUND DISCLOSURE

The Fund has certain regular reporting and continuous disclosure obligations pursuant to the Corporations Act. All continuous disclosure notices are available at gsfm.com.au.

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

FUND FACTS

INVESTMENT MANAGER
Payden & Rygel

RESPONSIBLE ENTITY
GSFM Responsible Entity Services Limited

DISTRIBUTIONS
Quarterly

APIR CODE
GSF0008AU

INCEPTION DATE
18 September 2012

MANAGEMENT FEE
0.70% P.A.

BUY / SELL SPREAD
Buy +0.10% / Sell -0.10%