

Payden Global Income Opportunities Fund

FEBRUARY 2023

Fund Overview

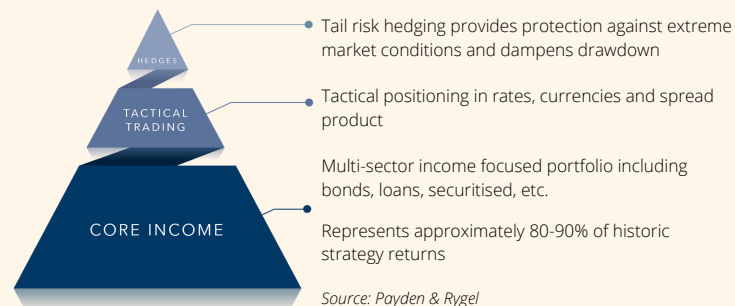
INVESTMENT PHILOSOPHY

<i>Produce Positive Returns</i>	Staying true to the basic definition of "Absolute Return", our strategy aims to produce positive returns with a performance objective of +2.5% above the benchmark over the medium term.
<i>Protect Downside Risk</i>	Before we consider the direction of markets or the value opportunities that are presented, our first responsibility is to protect an investor's principal against the potential for loss. Risk management is paramount.
<i>Capture "Smart" Yield</i>	Benefitting from more than 36 years in fixed income management, the foundation of our strategy is a low duration fixed income portfolio where risk premia from global interest rate curves and credit markets provide dependable and repeatable returns.

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:

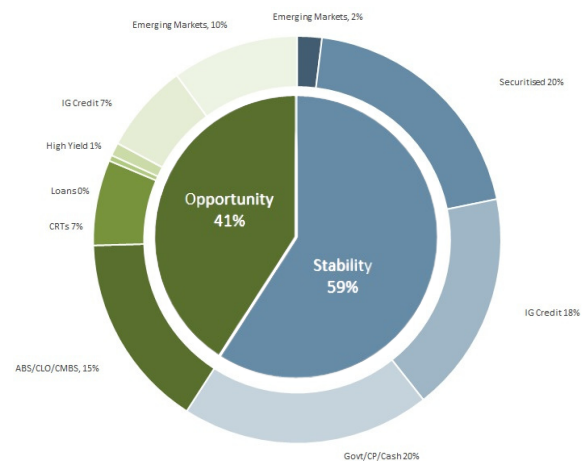


Fund Characteristics

SUMMARY DATA

Number of positions	207
Average rating	BAA1
Current yield	5.12%
Duration	2.42
Spread Duration	2.84
Yield to Maturity	6.02%

SECTOR ALLOCATION



REGIONAL ALLOCATION

MidEast/Africa	3.6%
Asia/Oceania	3.1%
Europe	5.3%
Latin America	5.3%
North America	82.7%

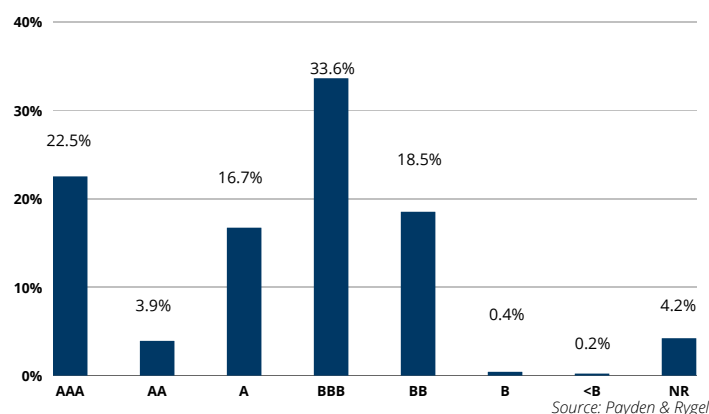
Performance as at 28 February 2023

	1 month %	3 months %	1 year %	3 years %	5 years % pa	7 years % pa	10 years % pa	Since Inception ¹ % pa
Fund ²	(0.49)	2.04	(0.88)	(0.66)	0.86	1.93	2.23	2.43
Benchmark ³	0.24	0.76	1.76	0.66	1.05	1.29	1.68	1.75
Value Added	(0.73)	1.28	(2.64)	(1.32)	(0.19)	0.64	0.55	0.68

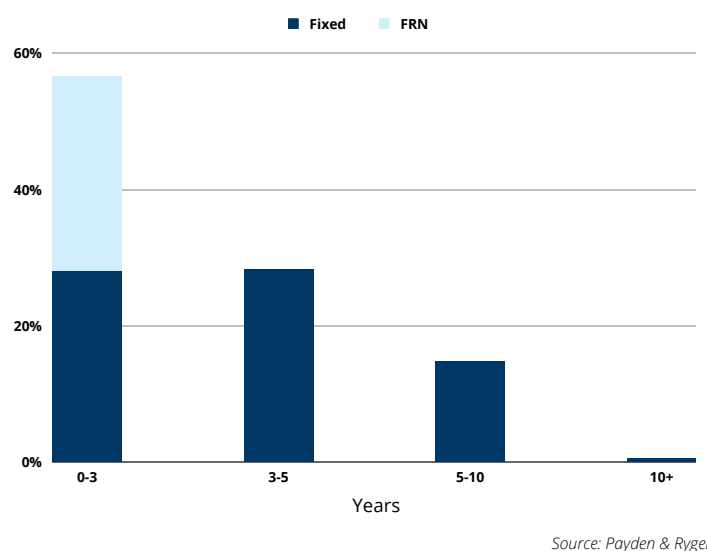
1. Inception date: 18 September 2012
2. Fund returns are calculated net of management fees
3. Bloomberg AusBond Bank Bill Index

Past performance is not a guide to future performance

RATING



DURATION



Manager Commentary

In February, economic data releases alleviated recession concerns in the near term. The U.S. economy saw a robust January jobs report, with the unemployment rate falling to a cycle low of 3.4% and consumer spending remaining well above trend. In addition, the Chinese and euro area economy saw a sharp rise in their Purchasing Managers Indices, specifically with their service sectors returning to expansionary territory. The flip side of a continued economic recovery is that inflation is stickier than most investors expected at the start of the year. In the U.S., core PCE (the Fed's preferred inflation measure) rose to 4.7% year-over-year in January, rising 0.6% month-over-month. In the euro area, core CPI rose 5.6% year-over-year in February, a record high. Unsurprisingly, market expectations of the "terminal" policy rate in both economies rose. In the U.S. and the euro area, the market-implied terminal fed funds rate was 0.5% higher at the end of February compared to January.

February's fatigue was a sharp contrast to January's bliss. Risk assets broadly produced negative total returns for the month as continued inflationary pressures and concerning data releases pushed interest rates higher and spreads mixed. Floating-rate securities outperformed fixed, with securitised broadly outperforming corporates and emerging market debt in February. Despite overall market weakness, primary markets were open and in some cases allowed issuers to refinance near-term maturities, a good sign for market liquidity.

For investment-grade corporates, the most active February issuance on record weighed heavily on spreads which widened 5-10 basis points. In terms of activity, the fund team further reduced loan exposure and subordinated CLO (BBB/BB) as risks continue to increase for rising loan defaults and downgrades.

Given the significant rise in U.S. Treasury yields (0.3%-0.6% higher in February), the fund team increased interest rate duration by +0.5 to 2.4, and bond exposure more skewed to fixed-rate securities. From a credit standpoint, the fund remains more favourable toward a combination of corporate credit, emerging markets debt, and government securities for the enhanced liquidity profile and attractive all-in yields of fixed-rate assets. The fund team's focus has been to reduce overall credit risk given the rally to start the year and fatter tail risks associated with persistent inflation, continued monetary policy tightening, and trajectory of economic data prints. To address risks of a hard landing, the team has implemented macro hedges via puts on Nasdaq futures and calls on TLT (20+yr U.S. Treasuries).

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

APIR CODE
GSF0008AU

MFUND CODE
GSF08

DISTRIBUTIONS
Quarterly

INCEPTION DATE
18 September 2012

INVESTMENT MANAGER
Payden & Rygel

RESPONSIBLE ENTITY
GSFM Responsible Entity Services Limited

MANAGEMENT FEE
0.70% P.A.

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

Important Information

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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 30 September 2022 (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.

GSFM Responsible Entity Services has produced a Target Market Determination (TMD) in relation to the Payden Global Income Opportunities Fund. The TMD sets out the class of persons who comprise the target market for the Payden Global Income Opportunities Fund and is available at www.gsfm.com.au

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 15 March 2023.