

January 2021

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.



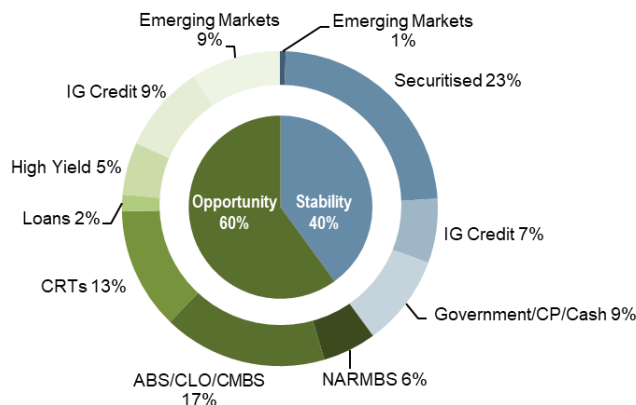
Source: Payden & Rygel

Fund characteristics

at 31 January 2021

Number of positions	242
Average rating	BAA2
Price	99.87
Current yield	1.74%
Duration	1.11
Spread Duration	3.01
Yield to Maturity	1.90%

Sector allocation at 31 January 2021



Performance

As at 31 January 2021

	1 month %	3 months %	1 year %	3 years % pa	5 years % pa	7 years % pa	Since inception ¹ % pa
Fund ²	0.52	2.48	0.08	2.07	2.92	3.12	3.26
Benchmark ³	0.00	0.01	0.29	1.21	1.48	1.77	1.97
Value added	0.52	2.47	-0.21	0.86	1.44	1.35	1.29

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

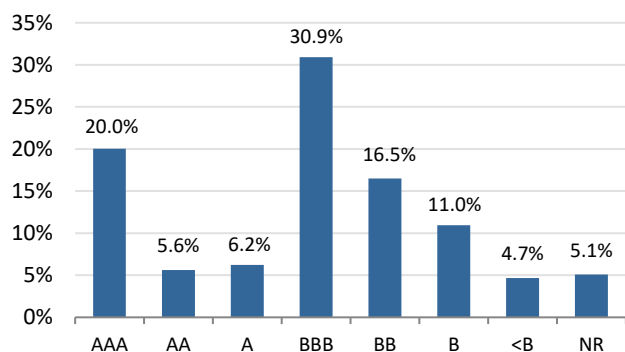
Fund facts

Regional allocation at 31 January 2021

Europe	15.4%
North America	73.4%
Latin America	4.0%
Asia/Oceania	3.6%
MidEast/Africa	3.6%

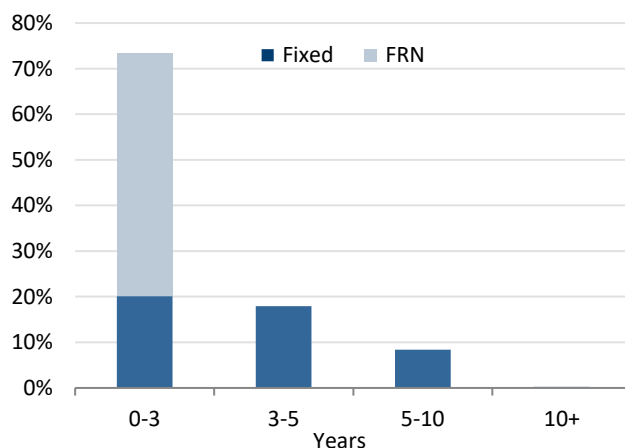
May not total due to rounding

Rating at 31 January 2021



May not total due to rounding

Maturity at 31 January 2021



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Manager commentary

Month in review

In January 2021, as Covid-19 cases breached 100 million globally, almost 100 million vaccine doses were administered as campaigns began across the world. The results of the U.S. election were certified and Joseph R. Biden Jr. was sworn in as the President of the United States. U.S. GDP data revealed that the economy avoided a double-dip recession in the fourth quarter, expanding by 4% at an annualized rate, despite renewed stay-at-home orders. In Russia, protests took place in Moscow in response to the government arresting Alexei Navalny, a key political opposition leader. Italy's prime minister resigned after his party lost its majority in the Senate. U.S. equity markets had their worst month since March as the Reddit induced trading frenzy that led to increased volatility in equity markets.

Fund review

Primary market activity picked up to start off the new year with \$131 billion of U.S. Investment Grade issuance coming to market in January. Additionally, Emerging Markets had an all-time record supply month of \$127 billion. After a strong start to the year for risk markets, volatility picked up during the second half of January as equity markets sold-off and risk premiums widened in Investment Grade and High Yield corporates, however Investment Grade corporate spreads still closed tighter month over month. We remain optimistic on the global economic recovery with help from the robust fiscal and monetary support; thus, view further onset volatility as a buying opportunity. The strategy continued to add exposure in Emerging Markets where relative value looks attractive versus corporate credit, and increased exposure modestly in areas of CMBS which are well positioned to recover as economic activity picks up. We maintain our preference for securitised product given the current valuations in corporate credit. **Investment Grade** – J.P. Morgan, Credit Suisse, 7-Eleven **High Yield/Loans** – US Foods, Jane Street **Securitized** – LNCR (CRE CLO), OAKIG (Triple-Net Lease ABS)

Outlook

During the month of January, performance was somewhat mixed across asset classes. Specifically, volatility picked-up within the equity market, while credit risk premiums widened in high yield corporate and emerging market debt. On the other hand, areas like mortgage and asset-backed securities were more resilient and in fact experienced modest compression in credit risk premium. Despite the dispersion in January, we remain constructive on the positive global growth trajectory.

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