PAYDEN GLOBAL INCOME OPPORTUNITIES: MONTHLY REPORT

February 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.

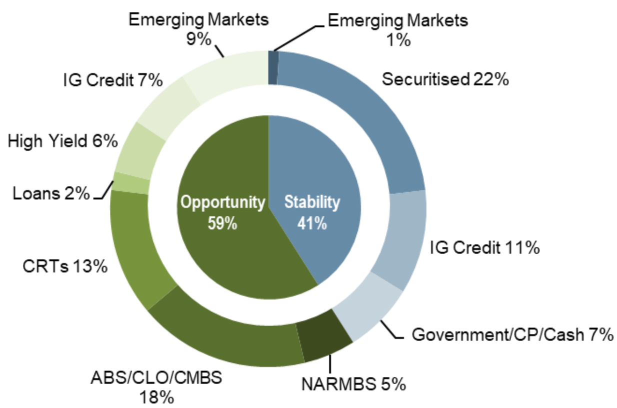
Source: Payden & Rygel

Fund characteristics

at 28 February 2021

Number of positions	259
Average rating	BAA2
Price	99.71
Current yield	1.80%
Duration	1.07
Spread Duration	3.17
Yield to Maturity	2.14%

Sector allocation at 28 February 2021



Performance

As at 28 February 2021

	1 month %	3 months %	1 year %	3 years % pa	5 years % pa	7 years % pa	Since inception[1] % pa
Fund[2]	0.06	1.33	-0.22	2.04	3.08	3.06	3.23
Benchmark[3]	0.00	0.00	0.21	1.16	1.44	1.74	1.95
Value added	0.06	1.33	-0.43	0.88	1.64	1.32	1.28

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

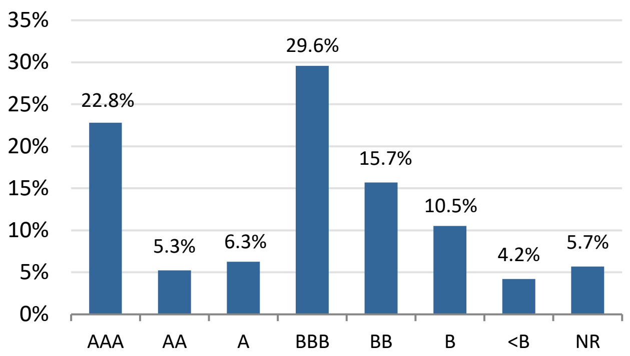
Fund facts

Regional allocation at 28 February 2021

Europe	15.6%
Australia	8.2%
North America	66.3%
Latin America	3.8%
Asia	2.1%
MidEast/Africa	4.0%

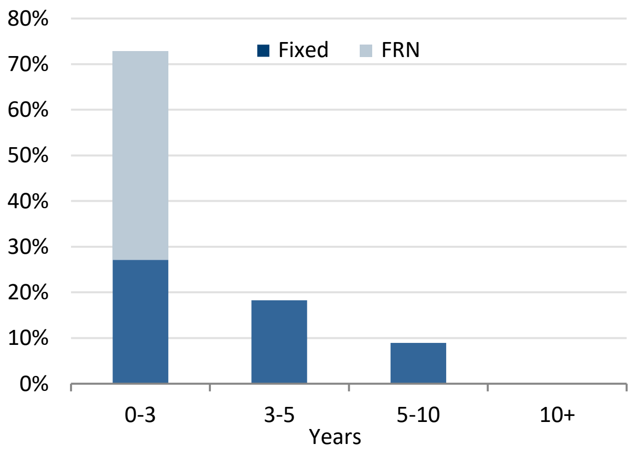
May not total due to rounding

Rating at 28 February 2021



May not total due to rounding

Maturity at 28 February 2021



Manager commentary

Month in review

In February 2021, total vaccinations administered exceeded total confirmed cases of Covid-19 globally, signalling a positive turn in the fight against the pandemic that bodes well for the economic recovery. U.S. retail sales growth for the month of January surprised to the upside, causing many economists to increase their expectations for GDP growth for the year. Stronger expectations for growth and fears of inflation drove government bond yields higher during the month. The state of Texas, one of the largest contributors to U.S. GDP, faced disaster as a winter storm overwhelmed the independent energy grid leaving millions without power or water for days. The January minutes of the Federal Open Market Committee (FOMC) meeting showed that any price increases related to the reopening of the economy will be considered transitory.

Fund review

Risk markets had a strong start in February before volatility picked-up in the second half of the month. The U.S. government yield curve significantly steepened as the reflation trade gained momentum with an improving outlook in growth expectations coupled with prolonged fiscal and monetary stimulus. The Strategy viewed this month's hiccup as a buying opportunity and added risk modestly through new issue participation in asset-backed and commercial mortgage-backed securities, where valuations are attractive relative to corporate credit, particularly as investment-grade credit spreads richened to their tightest levels since February 2018. We also trimmed our duration in the belly of the curve before the major move in rates. **Investment Grade** – J.P. Morgan, Macquarie, **High Yield** – Freeport-McMoRan **Securitized** – CLIF (Container ABS), COMM (SASB CMBS)

Outlook

During the month of February, there was dispersion in returns across asset classes. Volatility picked up in government rates across the world as inflation concerns and positive economic growth anticipation pulled forward the timing expectations of when central banks globally will begin the next hiking cycle. Credit markets were resilient as spreads tightened for investment-grade and high-yield corporates while securitized markets saw robust demand in new issue allowing issuers to price at tight spreads. The Strategy remains constructive on the positive global growth trajectory and while cautious of interest rate risk, we believe that the Fed will continue to be supportive of low rates in the front end.

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

Important Information