

Payden Global Income Opportunities Fund

JULY 2021

Fund Overview

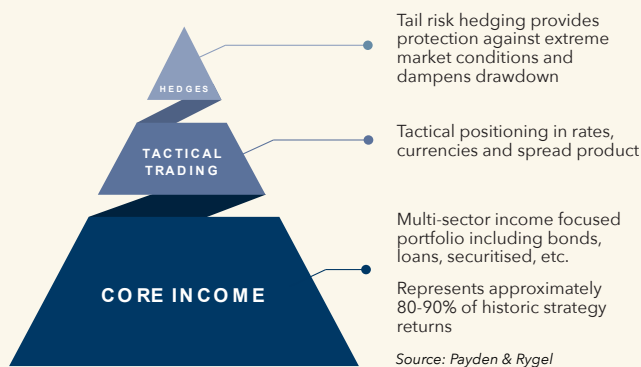
INVESTMENT PHILOSOPHY

- Produce Positive Returns** 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.
- Protect Downside Risk** 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.
- Capture "Smart" Yield** 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:

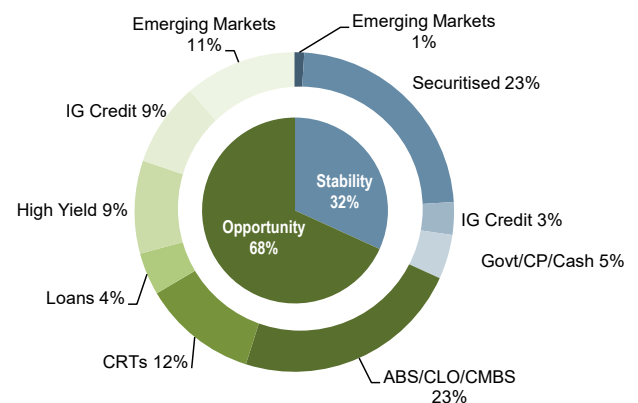


Fund Characteristics

SUMMARY DATA

Number of positions	245
Average rating	BAA2
Current yield	2.21%
Duration	0.79
Spread Duration	3.34
Yield to Maturity	2.19%

SECTOR ALLOCATION



REGIONAL ALLOCATION

MidEast/Africa	4.0%
Asia/Oceania	5.4%
Europe	16.7%
Latin America	5.8%
North America	68.1%

Performance as at 31 July 2021

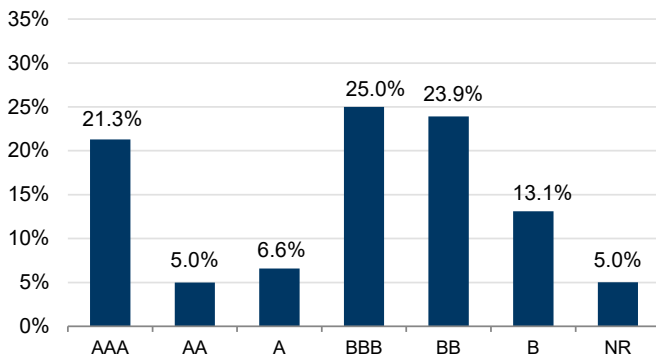
	1 month %	3 months %	1 year %	3 years % pa	5 years % pa	7 years % pa	Since inception ¹ % pa
Fund ²	0.03	0.44	4.86	2.23	2.35	2.87	3.20
Benchmark ³	0.00	0.01	0.05	0.89	1.26	1.58	1.86
Value Added	0.03	0.43	4.81	1.34	1.09	1.29	1.34

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

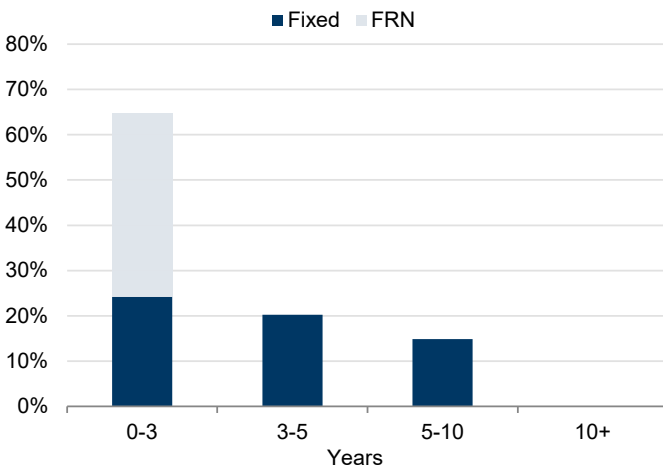
Past performance is not a guide to future performance



RATING



DURATION



FUND FACTS

APIR CODE GFS0008AU	INVESTMENT MANAGER Payden & Rygel
MFUND CODE GSF08	RESPONSIBLE ENTITY GSFM Responsible Entity Services Limited
INCEPTION DATE 18 September 2012	MANAGEMENT FEE 0.70% P.A.
DISTRIBUTIONS Quarterly	BUY/SELL SPREAD Buy +0.10% / Sell -0.10%

Manager Commentary

The economic data released in July continued to show the challenges of reopening. Despite adding 850,000 jobs to nonfarm payrolls in June, the unemployment rate increased slightly to 5.9%. Supply bottlenecks combined with strong demand for goods continued to push consumer prices higher, with headline and core CPI reaching 5.4% and 4.5%, respectively. The Fed's preferred inflation gauge, core PCE, was more subdued at 3.5% year-over-year for June. The FOMC clarified their willingness to tolerate price increases by expounding on their definition of "transitory." According to Chair Powell, "transitory" does not necessarily mean prices will reverse in short order, but rather the current increases won't have a lasting impact in the form of higher expectations for future inflation. Gross domestic product data released at the end of the month revealed that the U.S. economy grew at a 6.5% annualised rate in June, missing expectations of near double-digit growth due to the depletion of inventories. The miss was bittersweet, however, because it signaled that the U.S. might grow at a faster rate than initially predicted in the second half of the year as companies replenish their stockpiles. Finally, the month of July saw the broader emergence of the Delta variant in the U.S. Many large municipalities, such as Los Angeles, reimposed indoor mask mandates for all individuals regardless of vaccination status but stopped short of imposing more substantial restrictions.

July was marked by volatility as growth and Delta Variant concerns permuted throughout the market. However, optimism returned by month-end as the delta variant appeared to peak in the UK alongside Chairman Powell re-affirming a dovish monetary stance. The Fund took advantage of some of the market weakness by adding to sectors that the team remains constructive on, most notably in US Energy, Emerging Market debt, and BBB/BB rated collateralised loan obligations. In terms of positioning, the Fund continues to prefer securitised product where valuations are attractive relative to corporate credit, particularly in areas like commercial mortgage-backed securities, credit risk transfer, collateralised loan obligations and Emerging Market sovereign debt. **Emerging Markets** - Uzbekistan, DP World **High Yield/Loans** - DirectTV, doValue SPA **Securitized** - LCCM 2021

In the first half of 2021, the U.S. economy led the global recovery, but with trade rebounding and vaccination rates picking up worldwide, we expect the recovery to be more global in the second half of the year even with the emergence of the delta variant. However, those concerns should ensure monetary policy remains dovish in with the Fed seemingly months away from curtailing asset purchases, let alone hiking. As July demonstrated, we believe that volatility may pick up in the second half of the year, but continue to view further volatility as opportunity to add risk.

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

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