

Payden Global Income Opportunities Fund

AUGUST 2021

Fund Overview

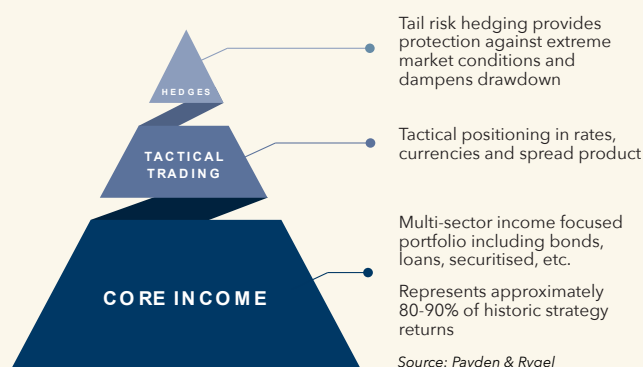
INVESTMENT PHILOSOPHY

- 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:

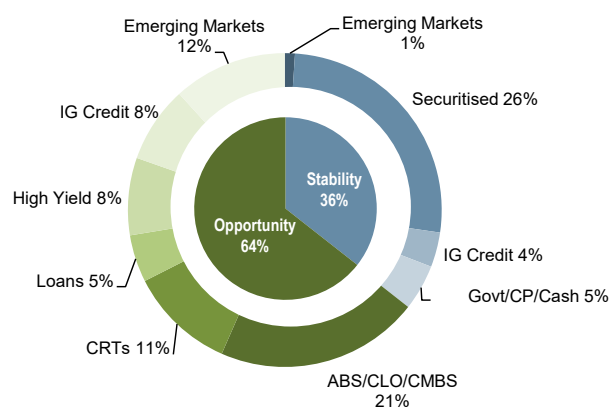


Fund Characteristics

SUMMARY DATA

Number of positions	239
Average rating	BAA3
Current yield	2.45%
Duration	0.79
Spread Duration	3.30
Yield to Maturity	2.21%

SECTOR ALLOCATION



REGIONAL ALLOCATION

MidEast/Africa	4.4%
Asia/Oceania	4.7%
Europe	14.9%
Latin America	6.4%
North America	69.6%

Performance as at 31 August 2021

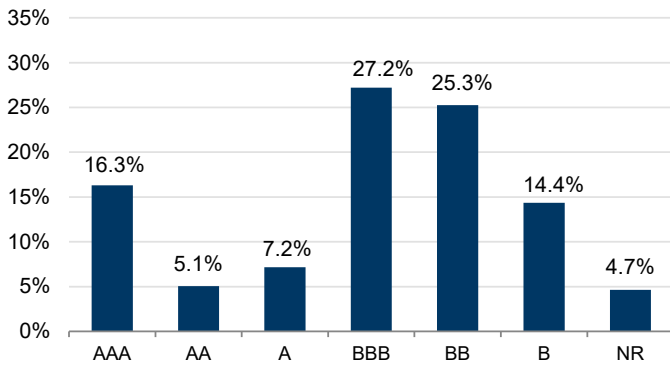
	1 month %	3 months %	1 year %	3 years % pa	5 years % pa	7 years % pa	Since inception ¹ % pa
Fund ²	0.23	0.36	4.52	2.21	2.34	2.85	3.20
Benchmark ³	0.00	0.01	0.04	0.84	1.22	1.55	1.84
Value Added	0.23	0.35	4.48	1.37	1.12	1.30	1.36

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

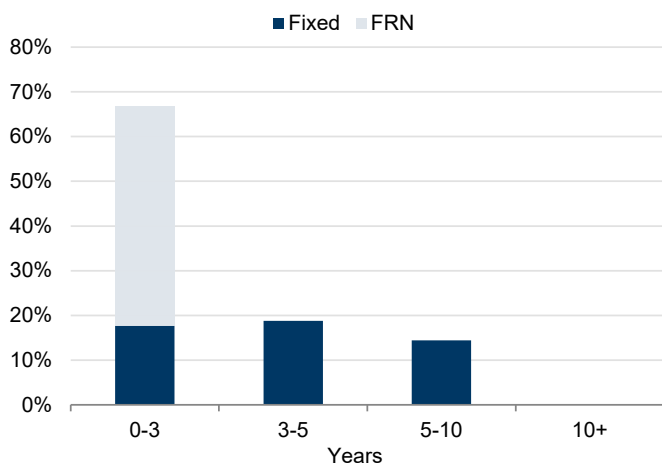
Past performance is not a guide to future performance



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

Despite rising Covid-19 cases and concerns of a slowing economic recovery, August was a good month for economic data. Nearly a million jobs (+934,000) were added to nonfarm payrolls in July bringing the unemployment rate down by half a percent to 5.4%. Year-over-year growth in consumer prices appeared to stabilise, with headline CPI staying flat at 5.4% and core CPI coming down slightly to 4.3%. The Fed's preferred inflation gauge, core PCE, was more subdued at 3.6% year-over-year for July. Federal Reserve Chair Jerome Powell spoke at the virtual Jackson Hole Economic Symposium at the end of the month, sharing that the Committee felt "it could be appropriate to start reducing the pace of asset purchases this year" if the economy performs as expected. The August jobs report, which comes out in the first week of September, will be a key determinant of whether the Committee announces a taper at their next meeting. Finally, we revised our forecast for U.S. growth in 2021 down to 6.2% because of slower than anticipated growth in the second quarter (6.6% versus expectations of ~9%). We believe we will still see strong growth through year-end (~6% annualised), but Q2 was likely the "peak."

August began in a tenuous position for spread product as the Covid-19 Delta variant concerned investors on the trajectory of global growth, primarily affecting pro-cyclical sectors with reopening and reflation exposure. However, we saw a reversal of that theme as risk assets rallied into the end of the month, benefitting from many regions seemingly passing the most recent peak in cases, as well as having clarity around less severe hospitalisations. Investors also responded positively to Jerome Powell's continued dovishness at Jackson Hole. In terms of positioning, the strategy continues to see opportunities for price upside in the emerging market complex, namely in BB-rated hard currency sovereign debt. Additionally, the strategy took modest profits in high yield corporate credit, redeploying capital into collateralised loan obligations, where structural protection and attractive valuations create a better risk-adjusted profile. **High Yield/Loans** - Bally's **Securitized** - FCAT 2021-3 (Auto ABS), Motel 6 (SASB CMBS) **Emerging Markets** - Orbia Advance Corporation

While the Delta variant has had an impact on sentiment in risk markets, we remain constructive on the trajectory of global growth, albeit at a slightly more delayed pace. In most regions experiencing Delta waves, hospitalisations and fatalities are not keeping up at the same pace as previous peaks, especially in areas with increased vaccinations. The consensus base case of lower than previously expected positive growth would likely go hand-in-hand with a continued dovish policy stance from the Fed, pushing out the time horizon for both tapering and rate hikes and providing further support to asset prices. Similar to July and August, the strategy believes that an uptick in volatility in the near term would make for an opportunity to add risk.

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

Important Information

"Bloomberg®" and Bloomberg AusBond Bank Bill Index are service marks of Bloomberg Finance L.P. and its affiliates, including Bloomberg Index Services Limited ("BISL"), the administrator of the index (collectively, "Bloomberg") and have been licensed for use for certain purposes by GSFM Responsible Entity Services Limited. Bloomberg is not affiliated with GSFM Responsible Entity Services Limited, and Bloomberg does not approve, endorse, review, or recommend the Payden Global Income Opportunities Fund. Bloomberg does not guarantee the timeliness, accurateness, or completeness of any data or information relating to the Payden Global Income Opportunities Fund. 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 25 March 2019 (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. 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 9 September 2021.