

## 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:

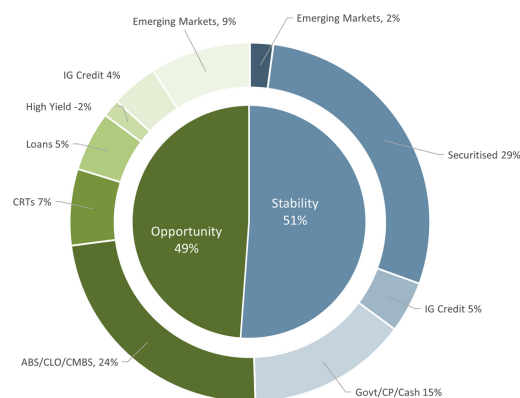


## Fund Characteristics

### SUMMARY DATA

|                     |       |
|---------------------|-------|
| Number of positions | 239   |
| Average rating      | BAA3  |
| Current yield       | 2.21% |
| Duration            | 1.46  |
| Spread Duration     | 3.29  |
| Yield to Maturity   | 2.81% |

### SECTOR ALLOCATION



### REGIONAL ALLOCATION

|                |       |
|----------------|-------|
| MidEast/Africa | 4.2%  |
| Asia/Oceania   | 3.8%  |
| Europe         | 11.6% |
| Latin America  | 5.8%  |
| North America  | 74.6% |

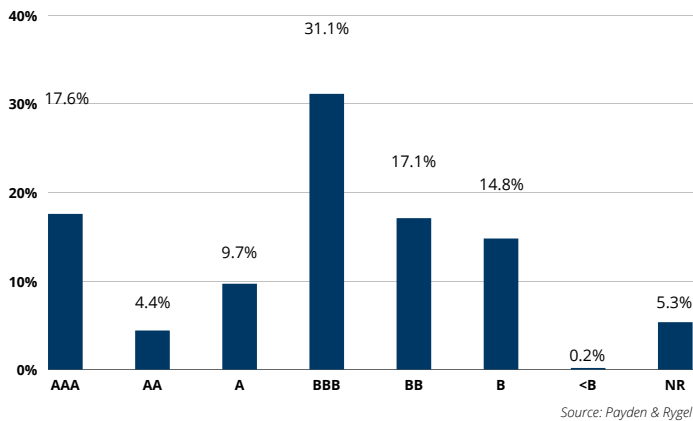
## Performance as at 28 February 2022

|                               | 1 month % | 3 months % | 1 year % | 3 years % | 5 years % pa | 7 years % pa | Since Inception <sup>1</sup> % pa |
|-------------------------------|-----------|------------|----------|-----------|--------------|--------------|-----------------------------------|
| <b>Fund</b> <sup>2</sup>      | (1.16)    | (1.42)     | (0.89)   | 1.05      | 1.57         | 2.24         | 2.79                              |
| <b>Benchmark</b> <sup>3</sup> | 0.01      | 0.01       | 0.03     | 0.51      | 1.05         | 1.36         | 1.74                              |
| <b>Value Added</b>            | (1.17)    | (1.43)     | (0.92)   | 0.54      | 0.52         | 0.88         | 1.05                              |

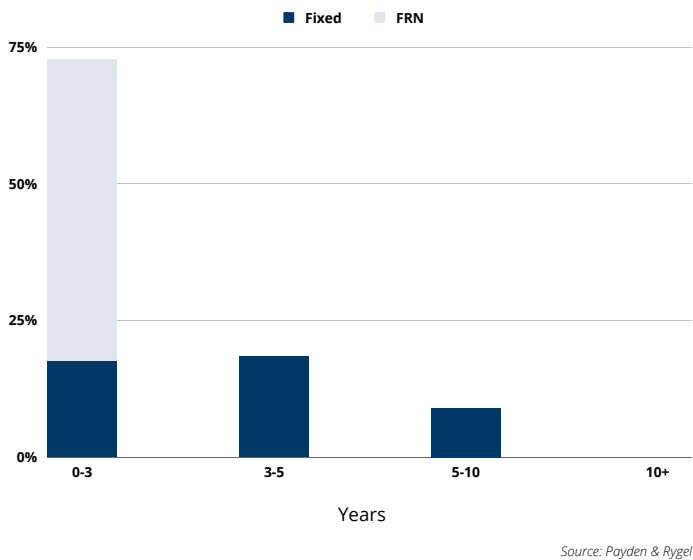
1. Inception date: 18 September 2012  
2. Fund returns are calculated net of management fees  
3. Bloomberg AusBond Bank Bill Index

Past performance is not a guide to future performance

## RATING



## DURATION



## FUND FACTS

|  |   |
|--|---|
| <b>APIR CODE</b><br>GSF0008AU              | <b>INVESTMENT MANAGER</b><br>Payden & Rygel                           |
| <b>MFUND CODE</b><br>GSF08                 | <b>RESPONSIBLE ENTITY</b><br>GSFM Responsible Entity Services Limited |
| <b>INCEPTION DATE</b><br>18 September 2012 | <b>MANAGEMENT FEE</b><br>0.70% P.A.                                   |
| <b>DISTRIBUTIONS</b><br>Quarterly          | <b>BUY / SELL SPREAD</b><br>Buy +0.10% / Sell -0.10%                  |

### 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](http://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](http://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 14 March 2022.

## Manager Commentary

Despite mostly upbeat economic data, February was a volatile month for markets. Early in the month, revisions to the jobs data revealed that job growth had been much more consistent throughout 2021 than previously thought, helping to explain the Federal Reserve's ("Fed's") seemingly rapid pivot towards tightening monetary policy. Inflation data also showed that consumer prices continue to rise at a rapid rate with 0.6% growth on the month and 7.5% growth over the last 12 months. Several regional Fed presidents and Board of Governors member Christopher Waller have come out in support of increasing the Fed's policy rate to 1% by mid-year, which caused the yield on the 10-year U.S. Treasury to climb above 2.0%. U.S. Treasury yields fell, however, after Russia launched a full-scale invasion of Ukraine late in the month. While we still expect six hikes from the FOMC this year, the Committee will likely start with a 0.25% hike at their upcoming meeting on March 16th and wait until June to begin shrinking their balance sheet. The conflict in Ukraine has already impacted oil and wheat prices, and it will likely hurt euro area economies more than the U.S. economy. As a result, prominent members of the European Central Bank ("ECB") have signaled they would like to exercise more patience on monetary policy decisions.

Risk assets continued to struggle in February given continued inflationary pressures, U.S. Federal Reserve monetary tightening on the horizon, and heightened geopolitical tensions as Russia began invading Ukraine. The Fund continued to broadly trim risk into pockets of strength, and spent down roughly 2% of liquidity, focusing on higher-quality areas of securitised product such as collateralised loan obligations, commercial mortgage-backed securities, and credit risk transfer. Given the expectation that U.S. Treasury yields continue to rise, we maintain a balanced exposure to floating and fixed rate securities. From a credit standpoint, the strategy remains more favorable toward securitised product versus corporate credit due to the structural protections, strength in underlying collateral, and attractive relative valuations. **Investment Grade** – Morgan Stanley, TELUS Corporation **High Yield/Loans** Tamarack Valley Energy **Securitized** – VBTEL 2022-1A F (Cell Tower ABS), BX 2022-LP2 G (CMBS SASB)

The geopolitical climate remains at the forefront of investor attention as Russia's invasion of Ukraine persists. Russia's actions have been met with coordinated responses from global players, both sovereign and corporate, in various forms of sanctions. While the medium-term effects on global growth and inflation are uncertain, it is likely that the shock to global trade does not help the Fed's near-term goal of achieving price stability. As such, our base case is that the Fed remains in "inflation-fighting" mode and is not likely to change its course of action as a result of recent volatility. We continue to look to upcoming inflationary data to better inform our view on the distribution of outcomes going forward.

### 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](http://gsfm.com.au).

**See [gsfm.com.au](http://gsfm.com.au) for more information about the Payden Global Income Opportunities Fund.**