

## 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:

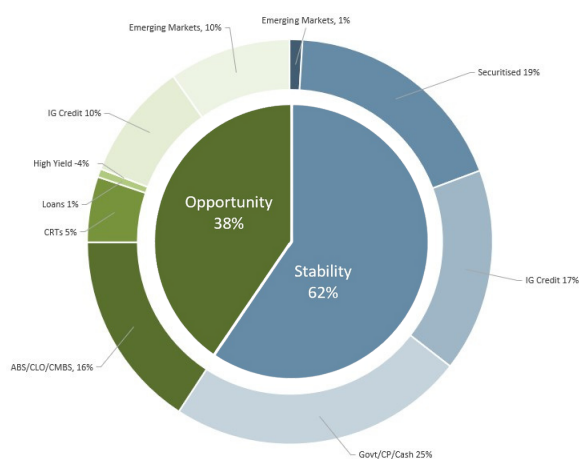


## Fund Characteristics

### SUMMARY DATA

Number of positions	214
Average rating	BAA1
Current yield	3.07%
Duration	2.50
Spread Duration	2.59
Yield to Maturity	4.64%

### SECTOR ALLOCATION



### REGIONAL ALLOCATION

MidEast/Africa	3.5%
Asia/Oceania	2.6%
Europe	7.9%
Latin America	3.7%
North America	82.3%

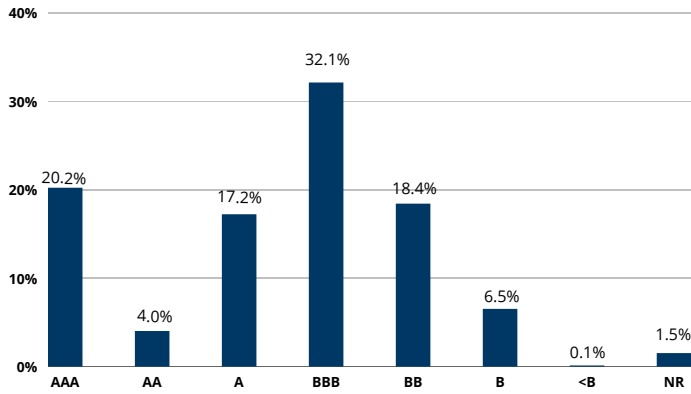
## Performance as at 30 April 2023

	1 month %	3 months %	1 year %	3 years %	5 years % pa	7 years % pa	10 years % pa	Since Inception <sup>1</sup> % pa
<b>Fund</b> <sup>2</sup>	0.56	0.31	1.15	3.30	1.01	1.69	2.15	2.47
<b>Benchmark</b> <sup>3</sup>	0.30	0.83	2.37	0.81	1.11	1.31	1.68	1.77
<b>Value Added</b>	0.26	(0.52)	(1.22)	2.49	(0.10)	0.38	0.47	0.70

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

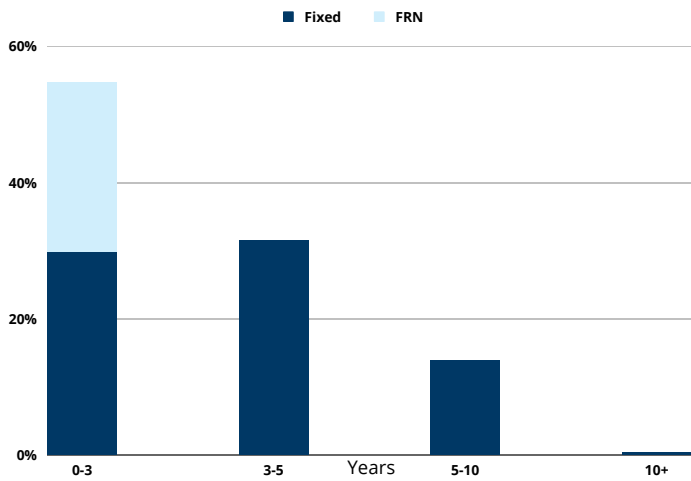
Past performance is not a guide to future performance

**RATING**



Source: Payden & Rygel

**DURATION**



Source: Payden & Rygel

**Manager Commentary**

In April, financial markets faced turbulence due to two primary factors: persistent concerns about the banking system's stability and the looming U.S. debt ceiling issue. First, the collapse of another major bank in April dashed hopes that the previous month's bank runs were isolated incidents. Although markets have downplayed systemic risk concerns as the FDIC and Federal Reserve continue to offer support, potential hazards persist. Second, bond investors' apprehension over the debt ceiling is reflected in the significant yield spread between generic 1-month and 3-month Treasury bills. This disparity highlights investor preference for bills maturing within the next month and their reluctance to engage with those expiring around when the Treasury might face a cash crunch this summer (if the debt ceiling is not raised).

Despite ongoing market concerns in April, returns were positive across most fixed-income markets, with income being the primary driver of returns and spreads mostly flat. Global credit returns stayed positive overall, while the US dollar and commodities broadly underperformed in April. The strategy team took advantage of the more sanguine market environment by reducing less favorable IG corporate names. Emerging market returns were broadly positive driven by income and rates, with continued gains in local EM and FX. The team is currently looking to add more local opportunities across various regions.

Within high yield, the team remains unfavourable on loans due to the fundamental challenges loan issuers face in a prolonged higher interest rate environment combined with a lower quality composition relative to bonds. In line with an unfavourable view on the underlying loan market, the team neutralised US BBB CLO exposure. Secured consumer ABS remains the only area within securitised where the team is sourcing exposure down the capital stack.

The outlook for fixed income assets appears to be more balanced as slowing inflation momentum, along with recently uncovered financial sector risks, suggests that central bank tightening has reached late stages. That said, central banks may keep monetary policy restrictive in the near term, given uncertainty around the path of disinflation. Higher interest rates and the waning post-pandemic demand recovery will likely lead to slower global growth. With the risk of recession rising, the strategy team remains more defensive, skewed toward higher quality segments of corporates, emerging markets, and securitised product. Moreover, the strategy team is favouring more liquidity and duration today, with the desire to add more interest rate duration as the Fed (and other developed central banks) approach the end of its hiking cycle.

**FUND FACTS**

**INVESTMENT MANAGER**

Payden & Rygel

**RESPONSIBLE ENTITY**

GSFM Responsible Entity Services Limited

**MFUND CODE**

GSF08

**APIR CODE**

GSF0008AU

**DISTRIBUTIONS**

Quarterly

**MANAGEMENT FEE**

0.70% P.A.

**INCEPTION DATE**

18 September 2012

**BUY / SELL SPREAD**

Buy +0.10% / Sell -0.10%

**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.**

#### Important Information

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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 30 September 2022 (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 9 May 2023.