

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:

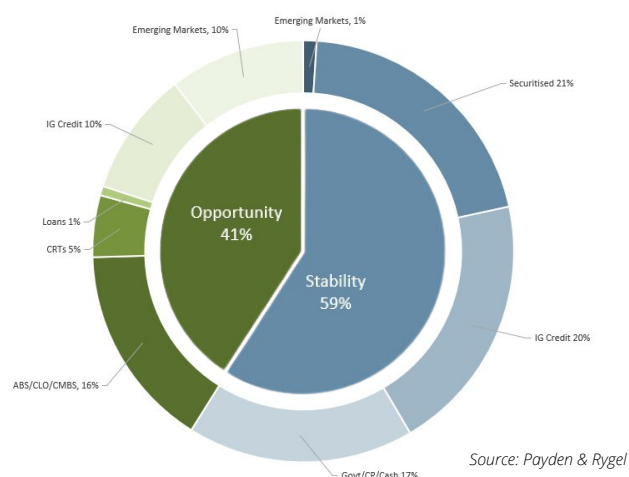


Fund Characteristics

SUMMARY DATA

Number of positions	224
Average rating	BAA1
Current yield	5.52%
Duration	3.04
Spread Duration	2.99
Yield to Maturity	5.18%

SECTOR ALLOCATION



REGIONAL ALLOCATION

MidEast/Africa	3.6%
Asia/Oceania	3.2%
Europe	8.8%
Latin America	3.9%
North America	80.5%

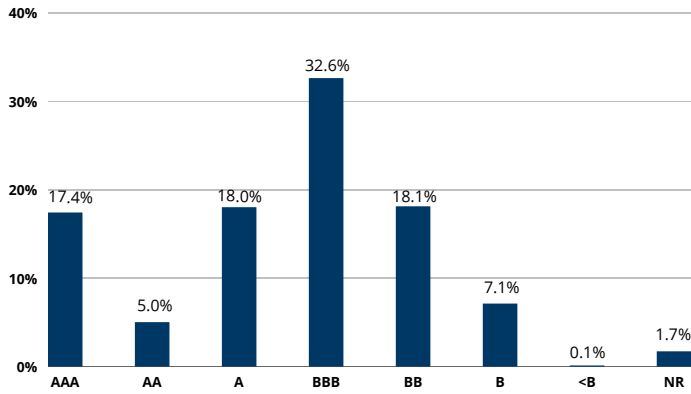
Performance as at 31 May 2023

	1 month %	3 months %	1 year %	3 years %	5 years % pa	7 years % pa	10 years % pa	Since Inception ¹ % pa
Fund ²	(0.49)	0.31	1.68	1.87	0.87	1.57	2.15	2.40
Benchmark ³	0.29	0.89	2.64	0.91	1.14	1.33	1.69	1.79
Value Added	(0.78)	(0.58)	(0.96)	0.96	(0.27)	0.24	0.46	0.61

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

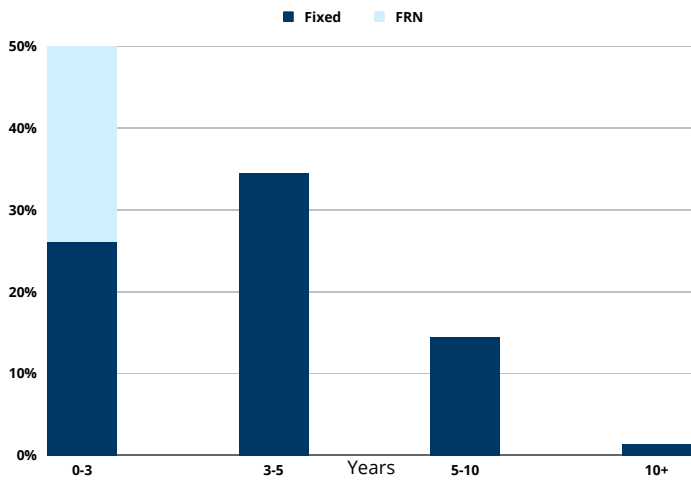
Past performance is not a guide to future performance

RATING



Source: Payden & Rygel

DURATION



Source: Payden & Rygel

Manager Commentary

Financial markets were swayed throughout May by two crucial issues: debt ceiling negotiations and enduring inflationary pressures. Initially, yields on U.S. Treasury bills maturing near the expected debt ceiling "X-date" almost reached 7% before retreating once an agreement to raise the debt ceiling appeared. Concurrently, the high U.S. inflation rate, highlighted by a 4.7% core PCE in April, worried investors as goods prices unexpectedly increased. Responding to persistent inflation, Federal Reserve officials increased the federal funds rate target to 5.00-5.25%, the highest since August 2007. The U.S. was not alone in battling inflation, with U.K. core inflation rising the fastest since 1992. Some cracks have appeared due to the monetary policy tightening over the last year. For example, the German economy contracted in the first quarter by -0.3%, making this the second consecutive quarter of contraction. Still, the service sector expanded globally in May, with the global services purchasing managers index (PMI) rising to 55.5, indicating a healthy expansion continues.

Returns in fixed income markets struggled during the month of May due to heightened levels of volatility due to U.S. debt ceiling concerns, resulting in higher U.S. Treasury yields and wider spreads in the U.S. high-yield corporate market. The rate selloff dragged almost all segments of global credit to negative returns for the month. High yield bonds ended the month in negative territory for the fifth time since the depth of the pandemic.

Within emerging market (EM) sovereigns, high-yield rated issuers outperformed investment-grade issuers, although in EM corporates investment-grade issuers slightly outperformed. EM local markets lagged hard currency as most currencies depreciated against a stronger U.S. dollar, reflective of relatively strong US economic data prints in May. The Fund's securitised holdings primarily delivered positive performance for the month, with subprime autos and residential mortgage credit among the top performers. In terms of portfolios positioning, secured consumer ABS remains the only area within securitised where the strategy team is sourcing exposure down the capital stack. Additionally, the strategy team has rotated up-in-quality within credit risk transfer (CRT) to further reduce risk in the sector.

The outlook for fixed-income assets appears to be more balanced as recently uncovered financial sector risks suggest that central bank tightening has reached late stages. That said, the market transition from inflation to growth and financial stability is likely expected to accelerate in the coming months if Fed policy remains restrictive. The Fed may prioritise financial stability and avoidance of a deep recession, particularly heading into an election year. With the risk of recession rising, the strategy team remains more defensive, skewed toward higher quality segments of corporates, emerging markets, and securitised product. Additionally, interest rate duration is playing a more prominent role in portfolios today with a portfolio duration of 3.0, well above the historic duration range between 1.0 and 2.0.

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.

See 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 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

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 13 June 2023.