

## PAYDEN/KRAVITZ CASH BALANCE PLAN FUND

JUNE 30, 2017

SI CLASS  
**ADVISER CLASS**  
 RETIREMENT CLASS  
 INSTITUTIONAL CLASS

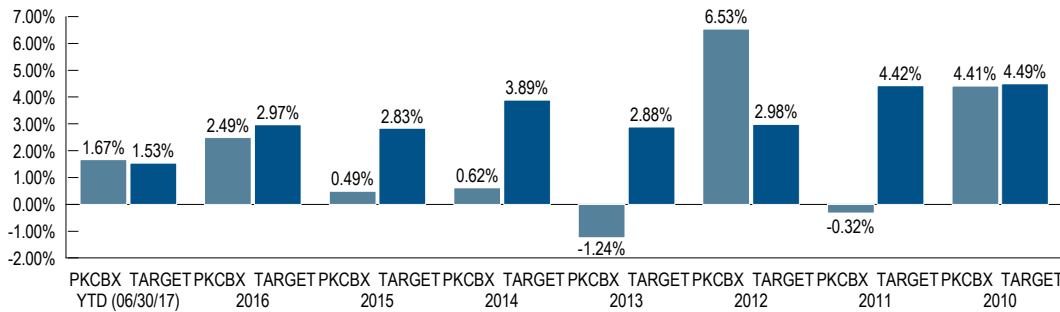
### INVESTMENT STRATEGY

The Payden/Kravitz Cash Balance Plan Fund primarily invests in corporate, mortgage, and emerging-market debt along with other cash-flow oriented securities. These holdings are complemented by securities positioned to take advantage of broader industry, interest rate and currency views. The fund seeks to manage interest rate duration with the use of futures contracts, which seek to limit exposure to yield curve fluctuations. The value of an investment may fall if interest rates rise.

### TOTAL RETURNS<sup>A</sup>

Adviser Share Class							2017 Target Rate <sup>B</sup>
As Of Date	Ticker	Year To Date	1 Year	5 Year	10 Year	Since Inception	
06/30/17	PKCBX	1.67%	2.97%	1.55%	N/A	2.20%	3.11%

### CALENDAR-YEAR RETURNS



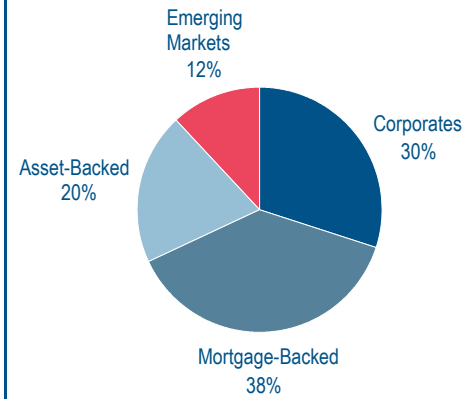
### MARKET UPDATE AND OUTLOOK

Risk assets continued to perform well in the second quarter as global equity markets moved higher and non-government bond yields fell. Over the quarter, global central banks moved to a "less accommodative" stance, causing mixed reactions from global 10-year yields, with Europe (+0.14%), the UK (+0.12%) and Japan (+0.02%) breaking out of recent ranges at the higher end. Australia (-0.10%) and the U.S. (-0.08%) however, were less affected by the news. Headlines once again put commodities under pressure with oil (-9%) and iron ore (-38%) prices significantly lower by the end of the second quarter. The U.S. dollar weakened against major currencies, particularly against the euro (-7.3%), the Swiss franc (-4.7%), and the pound sterling (-3.8%).

The portfolio remains structured with low interest rate sensitivity as we continue to invest in a diversified mix of fixed-income sectors including corporate, mortgage-backed and asset-backed securities.

Although we are comforted by positive developments in the global economy, we believe geopolitical risk remains a harbinger for heightened volatility going forward.

### SECTOR ALLOCATION



### EXPENSES<sup>C</sup>

Management Fee	1.10%
Other Expenses	0.33%
Distribution (Rule 12b-1)	0.25%
<b>Total Annual Fund Operating Expenses</b>	<b>1.68%</b>
<b>With Expense Cap</b>	<b>1.50%</b>

**Quoted performance data represent past performance, which does not guarantee future results. Investment returns and principal value will fluctuate, so investors' shares, when sold, may be worth more or less than their original cost. For the most recent month-end performance, which may be higher or lower than that quoted, visit our website at [payden.com](http://payden.com) or call 800 572-9336.**

## INVESTMENT MANAGER

Payden/Kravitz is a joint venture between Payden & Rygel and Kravitz Investment Services. Kravitz is one of the nation's largest independent firms focusing on the design and administration of Cash Balance Plans.

Payden & Rygel has served the needs of institutional and individual investors for over a quarter century. We offer a full array of investment strategies and products, including equity, fixed-income and balanced portfolios as well as open-end mutual funds and offshore funds, to a varied client base around the world. While we have grown and expanded considerably since our inception, we remain committed to our mission of providing customized investment management services that focus on each client's specific needs and objectives.



SHARE CLASS	ADVISER CLASS
<b>Ticker</b>	<b>PKCBX</b>
<b>Inception Date</b>	<b>09/22/08</b>
<b>Investment Minimum<sup>D</sup></b>	<b>\$25,000</b>
<b>Total Net Assets (all share classes)</b>	<b>\$214.7 million</b>
<b>Dividends Paid</b>	<b>Annually</b>
<b>Dividends (last 12 months)</b>	<b>\$0.171</b>
PORTFOLIO ANALYTICS	
<b>Interest Rate Duration<sup>E</sup></b>	<b>1.3 years</b>
<b>Credit Spread Duration<sup>F</sup></b>	<b>3.5 years</b>
<b>30-Day SEC Yield (06/30/17)</b>	<b>1.67%</b>

## PORTFOLIO TEAM

**Brian W. Matthews, CFA**  
**1986 - Joined Payden & Rygel**

Brian Matthews is a managing principal and the chief financial officer at Payden & Rygel, with 32 years of investment experience. He is a member of the Executive Committee of the board of directors and the firm's Investment Policy Committee. He also serves as a senior portfolio manager.

**Scott J. Weiner, Ph.D.**  
**1993 - Joined Payden & Rygel**

Scott Weiner is a managing principal at Payden & Rygel, with 30 years of investment experience. He is member of the Executive Committee of the board of directors and the firm's Investment Policy Committee. He also serves as a senior portfolio manager.

**Brad Boyd, CFA**  
**2002 - Joined Payden & Rygel**

Brad Boyd is a senior vice president and portfolio manager at Payden & Rygel, with 14 years of investment experience. He is a senior member of the core bond strategy team managing intermediate and liability-driven investment portfolios, as well as specialized strategies including absolute return and indexing solutions.

## FOOTNOTES

<sup>A</sup> Returns less than one year are not annualized. <sup>B</sup> The average daily yield of the 30-year U.S. Treasury Bond for the month of December of the prior year, as defined by the IRS. See <https://www.irs.gov/retirement-plans/weighted-average-interest-rate-table>. <sup>C</sup> Payden/Kravitz Investment Advisers LLC has contractually agreed that, for so long as it is the investment adviser to the Fund, the Total Annual Fund Operating Expenses After Fee Waiver or Expense Reimbursement (excluding Acquired Fund Fees and Expenses, interest, taxes and extraordinary expenses) will not exceed 1.25%. <sup>D</sup> The minimum initial investment may be modified for certain financial intermediaries that submit trades on behalf of underlying investors. Paydenfund's distributor may lower or waive the minimum initial investment for certain categories of investors at their discretion. <sup>E</sup> Interest rate duration is a measure of the Fund's price sensitivity to changes in interest rates. <sup>F</sup> Credit spread duration is a measure of the Fund's price sensitivity to changes in yield differences between non-government bonds and U.S. Treasuries.

For more information and to obtain a prospectus or summary prospectus, visit [payden.com](http://payden.com) or call 800 572-9336. Before investing, investors should carefully read and consider investment objectives, risks, charges, expenses and other important information about the Fund, which is contained in these documents. The Payden/Kravitz Funds are distributed through Payden & Rygel Distributors, member FINRA.