

JUNE 30, 2021

Investment Strategy

The Payden Equity Income Fund invests primarily in large-capitalization common stocks with above-average dividend yields and other income-producing securities such as preferred stocks, master limited partnerships, and real estate investment trusts. The fund focuses on companies that have strong fundamentals and are expected to achieve positive earnings and dividend growth.

Fund Highlights

- » Seeks to provide current income and equity market participation through a variety of stocks, sectors and security types such as common and preferred stocks, master limited partnerships (MLPs) and real estate investment trusts (REITs)
- » Expects a large component of the total return to come from dividends
- » Seeks to achieve lower volatility and better risk-adjusted returns than competitors and the broad market^A
- » Fund price may fall when the U.S. stock market declines

Performance^B

MONTHLY	YTD	1 YEAR	3 YEAR	5 YEAR	10 YEAR	SINCE INCEPTION (11-01-96)
PAYDEN EQUITY INCOME FUND	14.85%	31.89%	11.49%	10.89%	11.85%	7.28%
RUSSELL 1000 VALUE INDEX	17.04%	43.66%	12.39%	11.84%	11.58%	8.96%

Calendar-Year Returns

2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
0.74%	27.95%	-6.69%	15.70%	14.92%	1.75%	14.79%	22.25%	10.04%	14.36%

FUND DESCRIPTION

CLASS:	Investor
FUND INCEPTION:	Nov 01, 1996
TICKER:	PYVLX
CUSIP:	704329739
TOTAL NET ASSETS:	\$1.7 Billion
INVESTMENT MINIMUM: ^C	\$5,000
IRA MINIMUM: ^C	\$2,000
DIVIDENDS PAID:	Quarterly
DIVIDENDS (LAST 12 MOS):	\$0.334

FUND STATISTICS

BETA ^D	0.8x
PRICE-TO-BOOK RATIO ^E	2.7x ^I
PRICE-TO-CASH-FLOW RATIO ^F	12.6x ^I
PRICE-TO-EARNINGS RATIO ^G	20.2x ^I
WEIGHTED AVG MARKET CAP ^H	\$198.3 B

EXPENSES

TOTAL FUND OPERATING EXPENSES:	0.74%
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PORTFOLIO MANAGEMENT

	Years of Experience
Scott J. Weiner, PhD	37
Michael E. Salvay, CFA	36
James T. Wong, CFA	29
Alfred Giles, CFA	19
Micheal Huynh, CFA	18

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 or call 800 572-9336.

Role In Portfolio

Large-Capitalization Value – Appropriate for conservative equity investors who seek current income and moderate exposure to equity markets.

Investment Manager

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.

Headquarters: Los Angeles

Founded: 1983

Assets Under Management: \$146 billion
(as of 06/30/21)

Portfolio Characteristics & Market Commentary

SECTOR ALLOCATION		SECURITY TYPE ALLOCATION		TOP-10 STOCK HOLDINGS	
Financials	20%	Common Stock	91%	Comcast-A	2.4%
Health Care	13%	REIT	6%	Goldman Sachs Group	2.3%
Technology	11%	Cash	1%	Citigroup	2.3%
Industrials	11%	Master Limited Partnerships	1%	Morgan Stanley	2.3%
Energy	11%	Preferred Stock	1%	Emerson Electric	2.1%
Consumer Staples	8%			Bank Of America	2.1%
Consumer Discretionary	7%			JPMorgan Chase	2.0%
Real Estate	6%			Chevron	1.9%
Utilities	5%			Exxon Mobil	1.8%
Communication Services	4%			Honeywell Intl	1.8%
Other	4%				

Market

- » The U.S. equity market wrapped up another quarter of strong returns with the S&P 500 Index gaining +8.6% for the second quarter of 2021, which was the fifth consecutive quarterly gain.
- » Equity prices hit record levels on strong corporate earnings results, continued government support, and reduced inflationary concerns, which drove a rotation back into growth stocks.
- » Nearly all sectors posted positive returns for the quarter with real estate (+13.1%), information technology (+11.6%), and energy (+11.3%) leading markets higher. Conversely, utilities (-0.4%), consumer staples (+3.8%), and industrials (+4.5%) were the market laggards.

Outlook

- » We expect the equity rally to continue, albeit at a slower pace, as the Biden Administration and the Fed's expansionary policies continue to support economic and corporate earnings growth prospects.
- » However, we expect volatility to increase as equity valuations remain above historical averages, inflationary risk is expected to rise, and the Biden Administration's push for higher corporate and individual taxes remain headwinds.
- » We continue to favor the financial and energy sectors, as financial companies are best positioned to benefit from potentially higher interest rates, steepening yield curves, and reduced regulatory risks, while energy companies are expected to see sharp recovery in earnings.



FOOTNOTES

^A A risk-adjusted return measures the amount of total return per unit of risk. ^B Returns less than one year are not annualized. ^C 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. ^D Beta is a measure of sensitivity of a portfolio's movement versus that of the overall market. ^E Price-to-book is the current stock price divided by the book (net asset) value per share. ^F Price-to-cash-flow is the current stock price divided by the trailing 12-month cash flow per share. ^G Price-to-earnings is a stock's current price divided by next year's expected earnings per share. ^H Weighted average market capitalization is the market capitalization (number of outstanding shares multiplied by the current share price) of each holding weighted by its percentage allocated within the portfolio. ^I Multiples represent the common stock portion of the Fund only and exclude preferred stock, real estate investment trusts and master limited partnerships.

For more information and to obtain a prospectus or summary prospectus, visit 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 Paydenfunds are distributed through Payden & Rygel Distributors, member FINRA.