

Payden & Rygel

QUARTERLY PORTFOLIO REVIEW

3rd Quarter 2022



PAYDEN.COM
LOS ANGELES | BOSTON | LONDON | MILAN

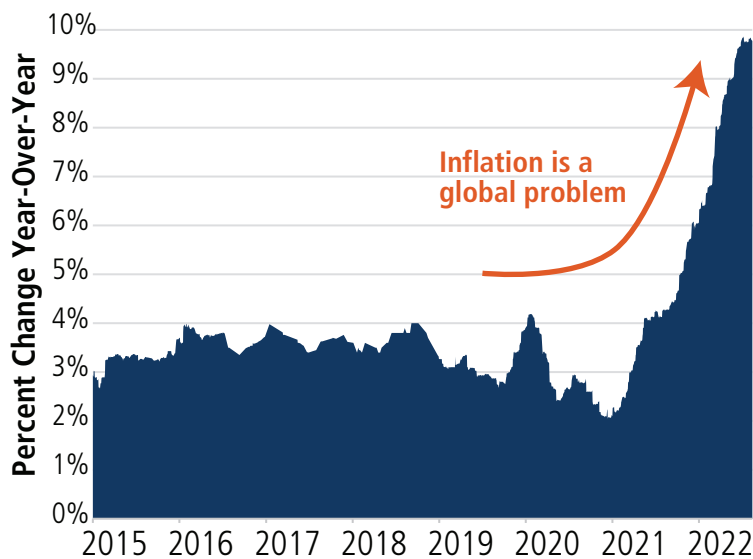


From the desk of Joan Payden:

- » Thirty-nine years ago, Payden & Rygel opened its door for operation in downtown Los Angeles. A lot has changed, but then again, not much has changed!
- » Like 39 years ago, inflation is quite high globally, and central banks are hiking rates to “whip inflation right now.”
- » Central bank rate hikes have resulted in the worst start to a year on record for bond and 60/40 “balanced” portfolios.
- » Also, like in the early 1980s, the US dollar is strengthening. Since the world is more globalized than ever and the US dollar remains the world reserve currency, many developed and emerging economies are feeling the strain.
- » What’s different? Unlike during the early 1980s, unemployment rates are low or falling worldwide. We aren’t (yet) in stagflation.
- » Also, there is a more robust menu of options within the global fixed income and equity-income space for client portfolios.

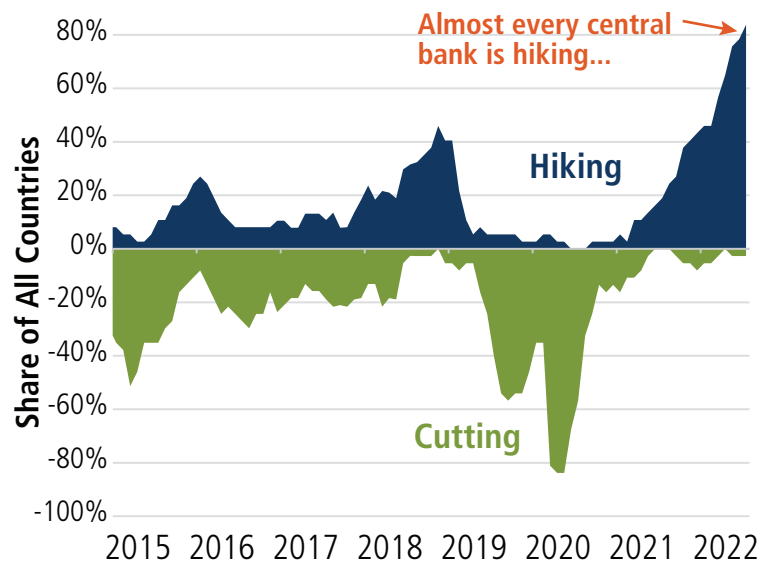
TOUGH MEDICINE: GLOBAL CENTRAL BANKS HAVE TO HIKE TO STOP INFLATION

GLOBAL HEADLINE INFLATION (WEIGHTED AS A SHARE OF COUNTRIES’ GLOBAL GDP)



Source: Bloomberg

SHARE OF GLOBAL CENTRAL BANKS HIKEING OR CUTTING RATES



Source: BIS, Payden Calculations

MARKET THEMES FOR Q3

- » Interest rates soared globally. In many countries, short-term rates (e.g., two-year note yields) rose more than longer-term rates, resulting in “inverted” yield curves.
- » Most currencies weakened versus the U.S. dollar, highlighted by the euro’s fall below parity and the British pound’s drop to historical lows.
- » Equities fell worldwide, led by Europe. Fixed income credit sectors outperformed government bonds, helped by strong demand for credit with higher overall yields.
- » Emerging market and sub-investment grade corporate bonds outpaced most asset classes, though investors preferred higher-quality issuers.

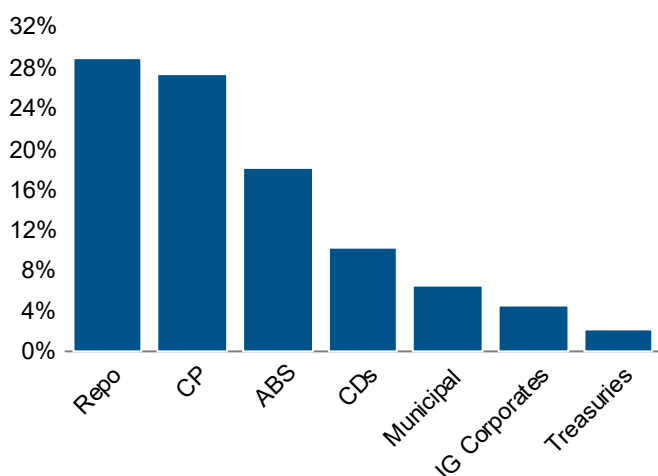
OUTLOOK

- » With persistently high inflation worldwide, most central banks will continue hiking interest rates in the year’s final quarter.
- » Central banks may pause in 2023 to assess the effects of tighter monetary policy, giving financial markets a reprieve.

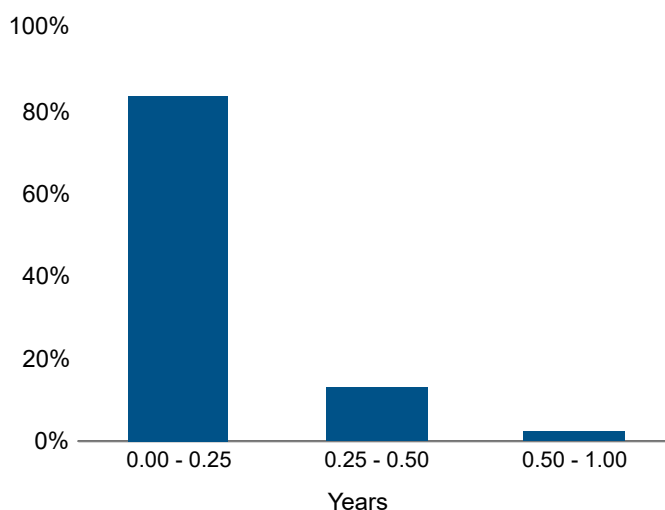
PORTFOLIO CHARACTERISTICS (As of 9/30/2022)

Portfolio Market Value	\$985.5 million
Fitch Rating	AAA mmf
Days to Maturity	29 days
SEC 7-Day Yield (net)	2.72%

SECTOR ALLOCATION



DURATION DISTRIBUTION



Government/Government-guaranteed: 32%

PORTFOLIO RETURNS - Periods Ending 9/30/2022

	3rd Quarter	2022 YTD	Trailing 1 Yr	Trailing 5 Yr	Trailing 10 Yr	Since Inception (1/13/09)
FLORIDA TRUST DAY TO DAY FUND (gross)	0.54%	0.74%	0.76%	1.28%	0.85%	0.71%
FLORIDA TRUST DAY TO DAY FUND (net)*	0.52%	0.76%	0.77%	1.20%	0.76%	0.61%
ICE BofA US 3-Month Treasury Bill Index	0.46%	0.61%	0.62%	1.15%	0.68%	0.54%

Periods over one year are annualized

*Represents income-only return from UMB. For some periods the income-only return is higher than the Payden gross return, given price depreciation in portfolio holdings due to the sharp rise in rates.



**OVER 35 YEARS OF INSPIRING
CONFIDENCE WITH AN
UNWAVERING COMMITMENT
TO OUR CLIENTS' NEEDS.**

LOS ANGELES | BOSTON | LONDON | MILAN

PAYDEN.COM

OUR STRATEGIES

Multi-Sector

Short Maturity Bonds

U.S. Core Bond

Absolute Return Fixed Income

Strategic Income

Global Fixed Income

Liability Driven Investing

Sector-Specific

Emerging Markets Debt

Government/Sovereign

High Yield Bonds & Loans

Inflation-Linked/TIPS

Investment Grade Corporate Bonds

Municipal Bonds (U.S.)

Securitized Bonds

Income-Focused Equities

Equity Income

Available in:

Separate Accounts – Mutual Funds (U.S. and UCITS)

Collective Trusts (“CITs”) – Customized Solutions

For more information about Payden & Rygel's strategies, contact us at a location listed below.

Payden & Rygel

LOS ANGELES

333 South Grand Avenue
Los Angeles, California 90071
213 625-1900

BOSTON

265 Franklin Street
Boston, Massachusetts 02110
617 807-1990

LONDON

1 Bartholmew Lane
London EC2N 2AX UK
+44 (0) 20-7621-3000

MILAN

Corso Matteotti, 1
20121 Milan, Italy
+39 02 76067111