

Payden & Rygel

QUARTERLY PORTFOLIO REVIEW

Day to Day Report **4th Quarter 2022**



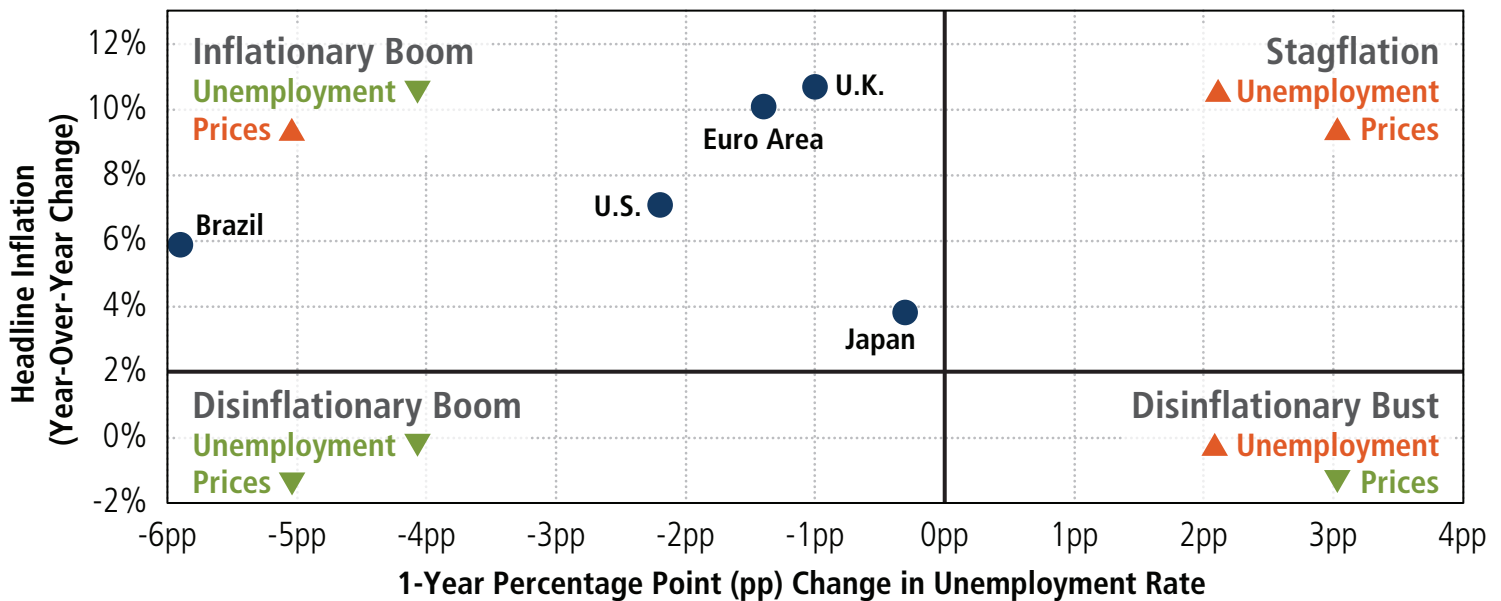
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From the desk of Joan Payden:

- » Inflation, central bank rate hikes, the Russia-Ukraine war, China’s zero-COVID policy, and recession fears played havoc on several asset classes in 2022, making it a difficult year for investors.
- » Central banks globally have tightened monetary policy due to rising inflation and a tight labor market (see chart below).
- » We took a cautious stance all through the year with our clients’ portfolios to soften the pain of rising interest rates and tenacious inflation.
- » We also turned towards higher quality holdings across portfolios given attractive valuations, elevated volatility and a heightened risk of an economic downturn.
- » As we look ahead to a new year, higher yields and more compelling valuations across both bonds and stocks may present attractive opportunities within client portfolios.

STAGFLATION? NOT YET! CHANGE IN INFLATION VS CHANGE IN THE UNEMPLOYMENT RATE



Source: Bloomberg, National Statistical Agencies, Payden Calculations (December 2022)

MARKET THEMES FOR Q4

- » Interest rates fell and the U.S. dollar weakened in the fourth quarter as investors interpreted a slowdown in the pace of central bank policy hikes as a sign that monetary policy tightening would soon end.
- » Risk markets, including equities, emerging markets debt, and high yield were among the best performing sectors for the quarter.

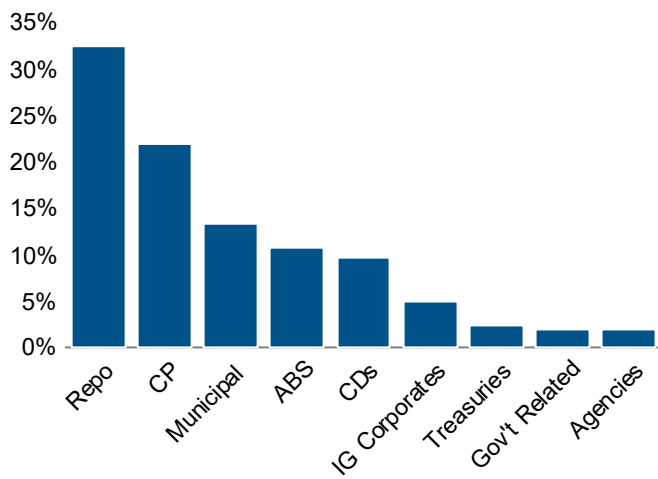
OUTLOOK

- » We remain cautious going into 2023 as elevated inflation and continued Fed tightening impact corporate fundamentals and economic growth in the second half of the year.
- » With recession risks looming over the global economy and volatility likely remaining elevated, we remain focused on quality.

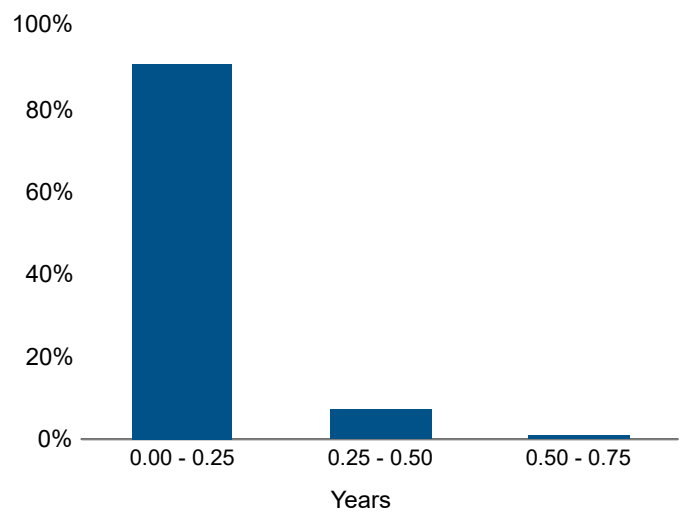
PORTFOLIO CHARACTERISTICS (As of 12/31/2022)

| | |
|------------------------|-------------------|
| Portfolio Market Value | \$1,105.2 million |
| Fitch Rating | AAA mmf |
| Days to Maturity | 26 days |
| SEC 7-Day Yield (net) | 4.16% |

SECTOR ALLOCATION



DURATION DISTRIBUTION



Government/Government-guaranteed: 39%

PORTFOLIO RETURNS - Periods Ending 12/31/2022

| | 4th Quarter | 2022 | Trailing 3 Yr | Trailing 5 Yr | Trailing 10 Yr | Since Inception (1/13/09) |
|--|--------------|--------------|---------------|---------------|----------------|---------------------------|
| FLORIDA TRUST DAY TO DAY FUND (gross) | 0.95% | 1.70% | 0.85% | 1.41% | 0.94% | 0.76% |
| FLORIDA TRUST DAY TO DAY FUND (net)* | 0.88% | 1.64% | 0.77% | 1.32% | 0.84% | 0.66% |
| ICE BofA US 3-Month Treasury Bill Index | 0.84% | 1.46% | 0.72% | 1.26% | 0.76% | 0.59% |

Periods over one year are annualized

*Net of fee return calculated by custodian UMB.



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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

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