

Payden & Rygel

QUARTERLY PORTFOLIO REVIEW

Short Term Bond Fund **2nd Quarter 2023**



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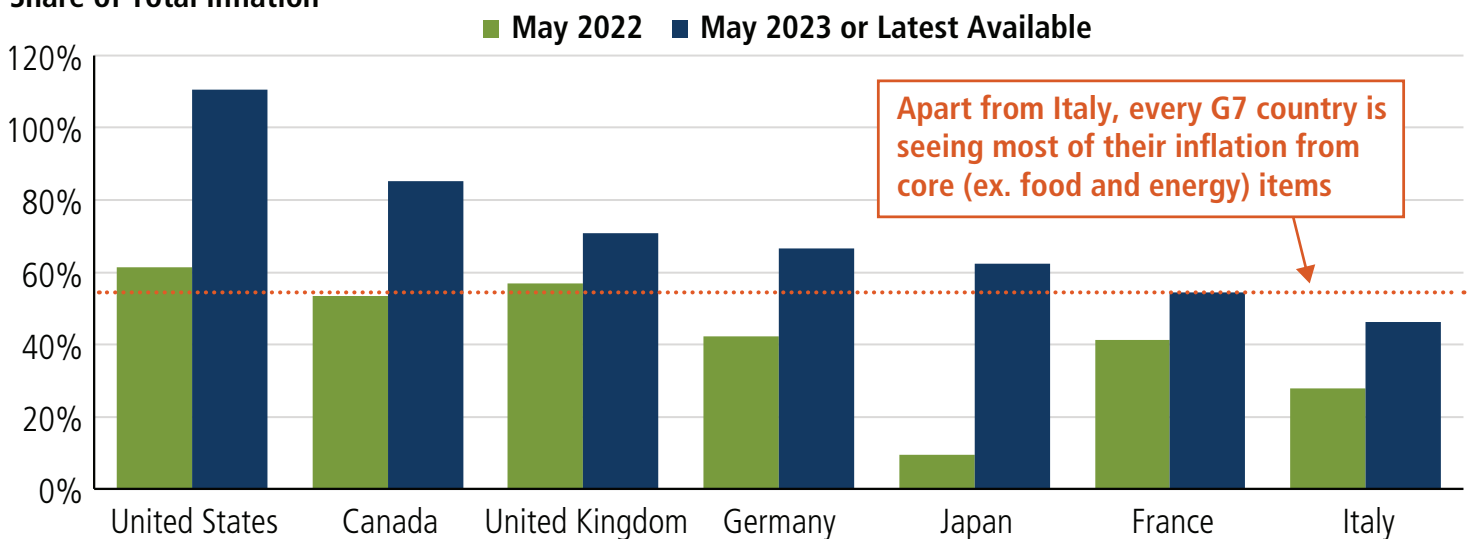
From the desk of Joan Payden:

- » Three issues loomed over markets during the second quarter of 2023: worries about the banking system’s health, drama concerning the U.S. debt ceiling, and persistent inflation.
- » First, market apprehensions were justified as a third significant bank failure occurred in April. However, by quarter end, market concerns over the banks abated.
- » Second, regarding the debt ceiling, worries that the Treasury would run out of cash sent shorter-maturity Treasury bills to 7% yields. Yields normalized once the U.S. Congress reached a deal to raise the debt ceiling through the next presidential election.
- » Third, measures of underlying inflation trends, such as the core personal consumption expenditures (PCE) index, showed little progress toward the Federal Reserve’s 2% target, hovering at 4.7% year-over-year.
- » On the positive side, the U.S. economy proved surprisingly resilient, with job growth averaging 316k a month, faster than the already robust 312k a month in Q1. A strong labor market will likely keep the Fed in play.

INFLATION REMAINS PERSISTENTLY HIGH GLOBALLY

CORE (EXCL. FOOD & ENERGY) CONTRIBUTION TO OVERALL INFLATION

Share of Total Inflation



Source: OECD

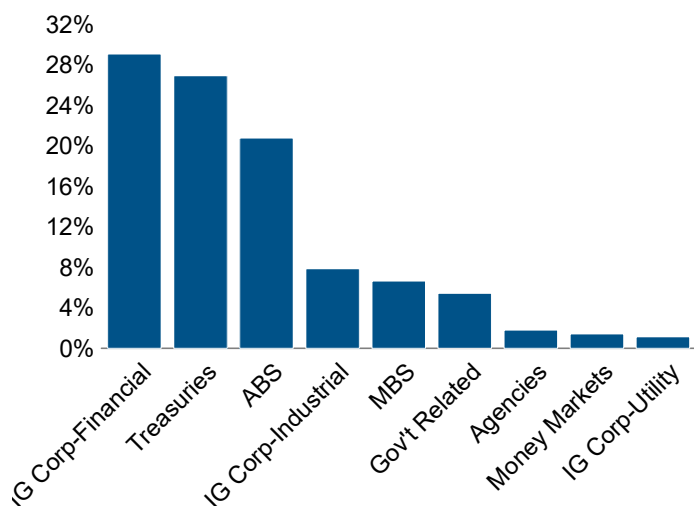
MARKET THEMES FOR Q2 AND OUTLOOK

- » The Federal Reserve communicated that policy rates might have to increase further to combat inflation.
- » Equity markets digested the rate increases well, responding positively to robust economic data.
- » Credit-sensitive bond sectors posted positive returns, but more interest rate-sensitive sectors lagged.
- » Labor market strength and the resiliency in service sector spending may have decreased the odds of a recession this year.

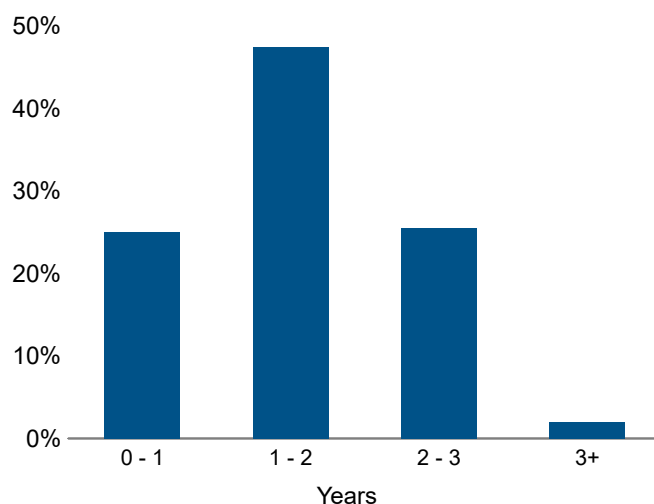
PORTFOLIO CHARACTERISTICS (As of 6/30/2023)

Portfolio Market Value	\$775.0 million
Fitch Rating	AAAf/S1
Weighted Average Duration	1.47 years
SEC 30-Day Yield (net)	4.50%

SECTOR ALLOCATION



DURATION DISTRIBUTION



PORTFOLIO RETURNS - Periods Ending 6/30/2023

	2nd Quarter	2023 YTD	Trailing 1 Yr	Trailing 5 Yr	Trailing 10 Yr	Since Inception (1/1/92)
FLORIDA TRUST S-T BOND FUND (gross)	0.18%	1.68%	2.05%	1.64%	1.32%	3.46%
FLORIDA TRUST S-T BOND FUND (NAV)*	0.14%	1.51%	1.68%	1.36%	1.06%	3.13%
ICE BofA 1-3 Year US Treasury Index**	-0.57%	0.97%	0.13%	0.95%	0.76%	2.97%

Periods over one year are annualized

*Net Asset Value data provided by custodian UMB. Net of fees.

**Taxable money market funds average prior to 02/2000.



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OUR STRATEGIES

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Strategic Income

Global Fixed Income

Liability Driven Investing

Sector-Specific

Emerging Markets Debt

Government/Sovereign

High Yield Bonds & Loans

Inflation-Linked/TIPS

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Securitized Bonds

Income-Focused Equities

Equity Income

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