

# Payden & Rygel

## QUARTERLY PORTFOLIO REVIEW

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### **Short Term Bond Fund 4<sup>th</sup> Quarter 2023**



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**SOFT LANDING**

**A U.S. "SOFT LANDING" BECAME MORE PLAUSIBLE AS INFLATION SLOWED NOTABLY.**

The core PCE\* price index average monthly change for the past six months of 0.15%, if sustained, would align with the Fed's 2% inflation target.

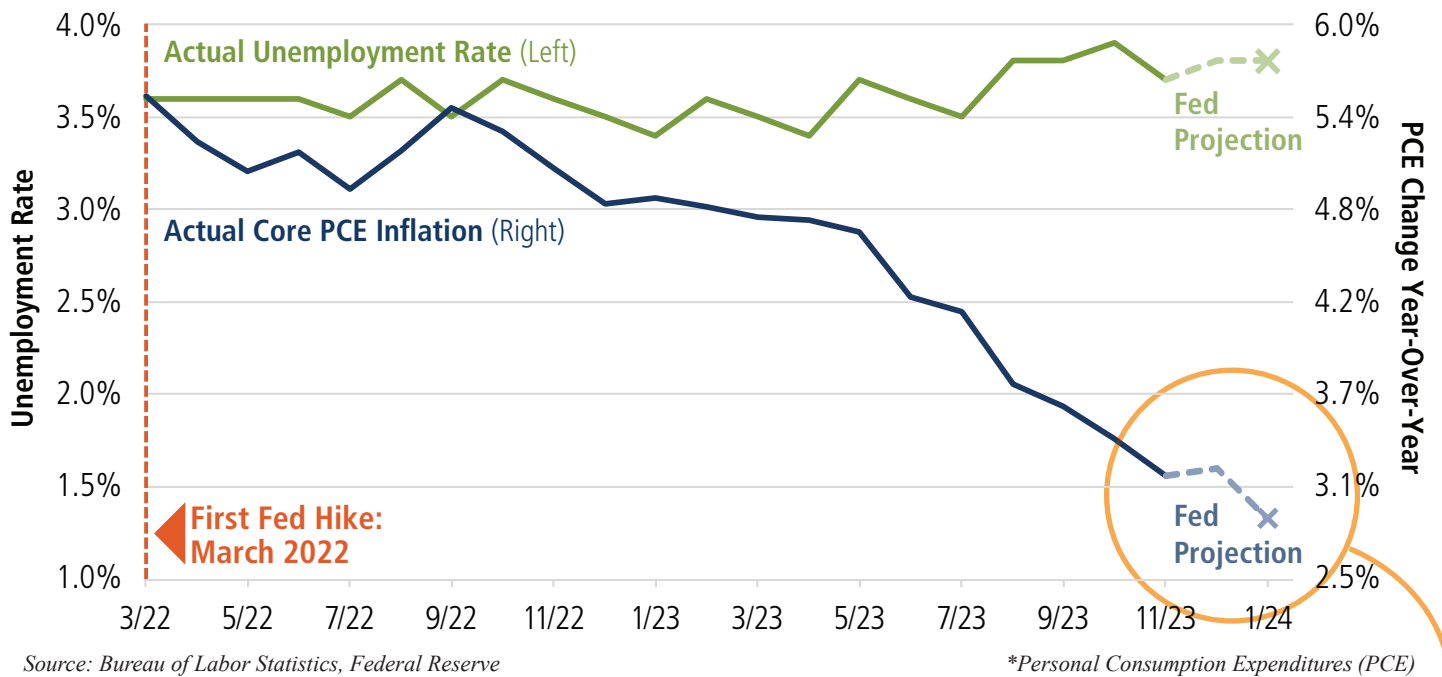
**INFLATION COOLING WITHOUT A CALAMITY IN LABOR MARKETS SIGNALS THE FED MAY ACHIEVE THE ELUSIVE "SOFT LANDING."**

U.S. unemployment rate fell to 3.7% despite a rise in labor force participation.

**NOT ALL ECONOMIES FARED AS WELL AS THE U.S.**

Euro area growth remained sluggish as inflation cooled, yet its unemployment rate remained steady. In contrast, the U.K. and Canada face diminishing growth prospects and rising unemployment rates.

**A "SOFT LANDING" IN ONE PICTURE  
LOW UNEMPLOYMENT, SOFTER CORE INFLATION**



**MARKET THEMES & OUTLOOK**

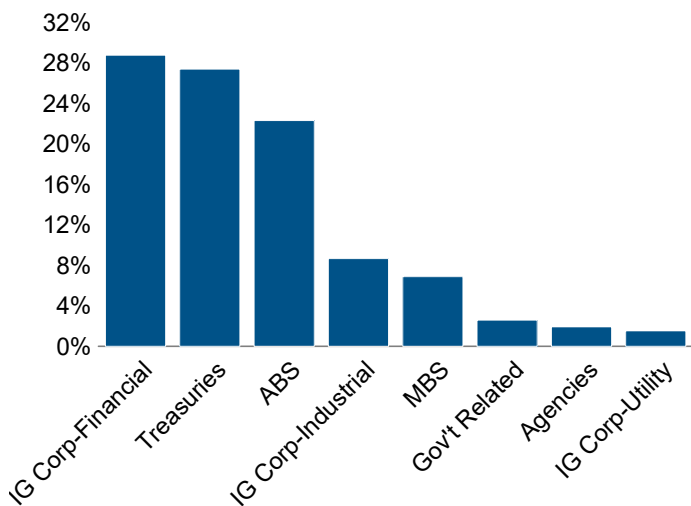
**Both equities and bonds posted positive returns as market participants embraced news of a "soft landing."** Looking ahead, lower bond yields, tighter credit spreads, and higher equity prices suggest active management may provide opportunities to generate attractive risk-adjusted returns going forward.

The Fed communicated they were likely finished hiking. **If core inflation readings are consistently below 3% in 2024, the Fed may cut rates in the latter half of 2024,** contrary to current market expectations. The U.S. economy might grow at- or above-trend in 2024, but global economic growth will likely continue to diverge.

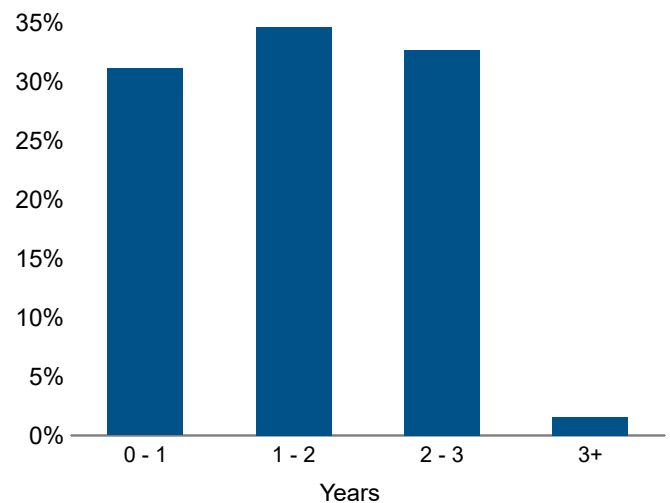
### PORTFOLIO CHARACTERISTICS (As of 12/31/2023)

Portfolio Market Value	\$733.7 million
Fitch Rating	AAAf/S1
Weighted Average Duration	1.50 years
SEC 30-Day Yield (net)	4.61%

### SECTOR ALLOCATION



### DURATION DISTRIBUTION



### PORTFOLIO RETURNS - Periods Ending 12/31/2023

	4th Quarter	2023	Trailing 3 Yr	Trailing 5 Yr	Trailing 10 Yr	Since Inception (1/1/92)
<b>FLORIDA TRUST S-T BOND FUND (gross)</b>	<b>2.59%</b>	<b>5.49%</b>	<b>0.97%</b>	<b>2.09%</b>	<b>1.62%</b>	<b>3.52%</b>
FLORIDA TRUST S-T BOND FUND (NAV)*	2.51%	5.20%	0.70%	1.81%	1.36%	3.20%
ICE BofA 1-3 Year US Treasury Index**	2.49%	4.26%	-0.04%	1.30%	1.05%	3.02%

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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CONFIDENCE WITH AN  
UNWAVERING COMMITMENT  
TO OUR CLIENTS' NEEDS.**

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## OUR STRATEGIES

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### 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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