

PAYDEN/KRAVITZ CASH BALANCE PLAN

DECEMBER 31, 2017

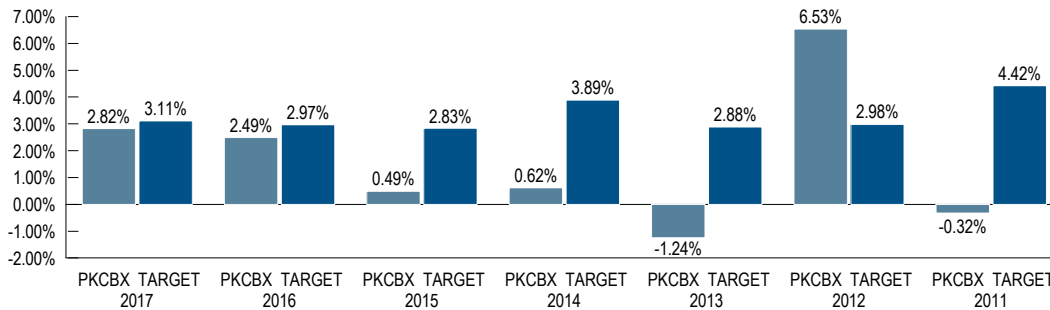
INVESTMENT STRATEGY

The Payden/Kravitz Cash Balance Plan Fund primarily invests in corporate, mortgage, and emerging-market debt along with other cash-flow oriented securities. These holdings are complemented by securities positioned to take advantage of broader industry, interest rate and currency views. The fund seeks to manage interest rate duration with the use of futures contracts, which seek to limit exposure to yield curve fluctuations. The value of an investment may fall if interest rates rise.

TOTAL RETURNS^A

Adviser Share Class							2017 Target Rate ^C
As Of Date	Ticker	Year To Date	1 Year	5 Year	10 Year	Since Inception	
12/31/17	PKCBX	2.82%	2.82%	1.02%	N/A	2.20%	3.11%

CALENDAR-YEAR RETURNS



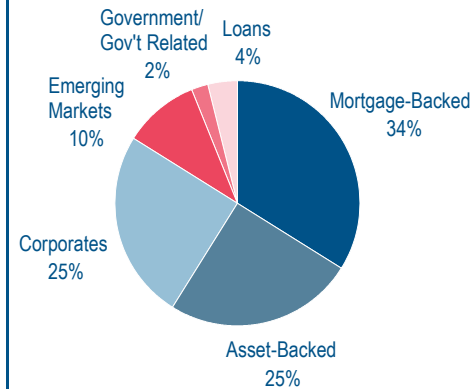
MARKET UPDATE AND OUTLOOK

The fourth quarter was underscored by persistent economic tailwinds as the unemployment and growth backdrop continued to improve around the globe. Specifically, levels of unemployment in the U.S. and U.K. declined to 4%. Long awaited fiscal progress was made in the United States as the Trump administration delivered on a tax plan that is expected to be accommodative for Corporate America and additive to GDP. These key ingredients resulted in a positive tone across risk assets, as equities continued to set record highs (S&P 500 +6.6%) and corporate credit spreads^B compressed to post-crisis levels.

With supportive economic data, the Federal Reserve again increased interest rates, their third hike in 2017. Other central banks around the world followed suit, as the Bank of England raised interest rates and the European Central Bank reiterated its intention to curtail asset purchases in the coming year. Consequently, interest rates moved higher across the globe. Notably, 5-year government bond yields were higher by +0.27% in the U.S., +0.07% in Germany, and +0.11% in Canada. With that said, volatility remained subdued as investors remained starved for yield.

The portfolio remains structured with low interest rate sensitivity as we continue to invest in a diversified mix of fixed income sectors including corporate, mortgage-backed and asset-backed securities. Although we are comforted by positive developments in the global economy, we believe geopolitical risk and fair valuations across risk assets remain harbingers of heightened volatility going forward.

SECTOR ALLOCATION



EXPENSES^D

Management Fee	1.10%
Other Expenses	0.33%
Distribution (Rule 12b-1)	0.25%
Total Annual Fund Operating Expenses	1.68%
With Expense Cap	1.50%

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.

INVESTMENT MANAGER

Payden/Kravitz is a joint venture between Payden & Rygel and Kravitz Investment Services. Kravitz is one of the nation's largest independent firms focusing on the design and administration of Cash Balance Plans.

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.



SHARE CLASS	ADVISER CLASS
Ticker	PKCBX
Inception Date	09/22/08
Investment Minimum ^E	\$25,000
Total Net Assets (all share classes)	\$215.2 million
Dividends Paid	Annually
Dividends (last 12 months)	\$0.257
PORTFOLIO ANALYTICS	
Interest Rate Duration ^F	1.8 years
Credit Spread Duration ^G	3.4 years
30-Day SEC Yield (12/31/17)	1.77%

PORTFOLIO TEAM

Brian W. Matthews, CFA

1986 - Joined Payden & Rygel

Brian Matthews is a managing principal and the chief financial officer at Payden & Rygel, with 32 years of investment experience. He is a member of the Executive Committee of the board of directors and the firm's Investment Policy Committee. He also serves as a senior portfolio manager.

Scott J. Weiner, PhD

1993 - Joined Payden & Rygel

Scott Weiner is a managing principal at Payden & Rygel, with 30 years of investment experience. He is member of the Executive Committee of the board of directors and the firm's Investment Policy Committee. He also serves as a senior portfolio manager.

Brad Boyd, CFA

2002 - Joined Payden & Rygel

Brad Boyd is a senior vice president and portfolio manager at Payden & Rygel, with 14 years of investment experience. He is a senior member of the core bond strategy team managing intermediate and liability-driven investment portfolios, as well as specialized strategies including absolute return and indexing solutions.

FOOTNOTES

^A Returns less than one year are not annualized. ^B Yield spread is the difference in yield between a bond which has credit risk and a U.S. Treasury of similar maturity. ^C The average daily yield of the 30-year U.S. Treasury Bond for the month of December of the prior year, as defined by the IRS. See <https://www.irs.gov/retirement-plans/weighted-average-interest-rate-table>. ^D Total Annual Fund Operating Expenses include all direct operating expenses of the Fund and a Rule 12b-1 Distribution Fee of 0.25%. Payden/Kravitz Investment Advisers LLC has contractually agreed that, for so long as it is the investment adviser to the Fund, the Total Annual Fund Operating Expenses After Fee Waiver or Expense Reimbursement (excluding 12b-1 Distribution Fees, Acquired Fund Fees and Expenses, interest, taxes and extraordinary expenses) will not exceed 1.25%. ^E 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. ^F Interest rate duration is a measure of the Fund's price sensitivity to changes in interest rates. ^G Credit spread duration is a measure of the Fund's price sensitivity to changes in yield differences between non-government bonds and U.S. Treasuries.

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 Payden/Kravitz Funds are distributed through Payden & Rygel Distributors, member FINRA.