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State Investment Commission:

The Employees' Retirement System of Rhode Island

Enhanced Cash Portfolio

December 16, 2016

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Managing Principal

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Boston

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Managing Principal

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Our Understanding of Employees' Retirement System of Rhode Island's Needs

Brief Background

- **The mandate entails management of a ±\$225 million portfolio of high quality cash assets.**
- Currently cash is managed in two different formats:
 - 1) a portfolio managed in-house, and
 - 2) custodian bank manager sweep account
- ERSRI expects to institute a policy of sweeping all investment manager income (dividends and income) to one cash management account (the proposed product).
- **These assets would be used to fund the plan's monthly benefits payments.**

Objectives

- **Portfolio investment objectives are preservation of principal, provide for ERSRI liquidity requirements, and superior risk-adjusted returns relative to a market benchmark.**
- The manager is to provide services as set forth in the DDQ and in the resulting investment management agreement, and must manage the portfolios in adherence with such investment management agreement as well as the Investment Guidelines issued by ERSRI.
- The asset will be managed in a separate account custodied at Bank of New York Mellon.

Scope of Services

- **Enhanced Cash portfolio management, benchmarked to a high quality cash index.**
- Additional Services:
 - Monthly reporting of portfolio holdings, derivative positions, transactions, and portfolio activity;
 - Monthly reporting of portfolio performance, to include return attribution analysis, over multiple timeframes;
 - Reconciliation of holdings, portfolio transactions and activity, and portfolio performance with ERSRI's custodian and other service providers are requested;
 - Monthly compliance reporting; and
 - Direct communication with staff including annual account review meetings, periodic portfolio update calls on the portfolio, asset class trends, or market issues.
- **The Investment Manager will be required to act as a fiduciary to the Comptroller and the Fund.**

Dedicated Team at Payden – To Ensure ERSRI Objectives are Met



Strategy

- Develop portfolio structure consistent with client guidelines
- Coordinate asset allocation decisions
- Oversee security selection and trading
- Provide for liquidity needs and requirements



Mary Beth Syal, CFA
Managing Principal, 1991
Head of Enhanced Cash/
Low Duration Team



Amy K. Marshall, CFA
Vice President, 2011
Enhanced Cash Strategist



Kerry G. Rapanot, CFA
Senior Vice President, 2002
Head of Cash Trading

Client Portfolio Management

- Day-to-day collaboration with ERSRI as trusted partner and fiduciary
- Provide highest-quality client service including customized reporting
- Liaison between ERSRI and strategy group



Elizabeth Westvold, CFA
Senior Vice President, 2011



Lisa A. Matiash
Associate Vice President, 2010



Justin G. Bullion, CFA
Managing Principal, 2010



Jeffrey W. Murphy
Associate Vice President, 2013

Dates signify year joining Payden & Rygel



Why Should ERSRI Partner with Payden & Rygel?

Distinguishing Features

Pioneer in the Active Management of Short Fixed Income Portfolios

- Recognized leader in short fixed income management
 - *Institutional Investor* Short-Term Fixed Income Manager of the Year, 2012 & 2016 (two of seven years awarded)
- Strength in development of customized mandates involving liquidity needs and unique guidelines considerations
- \$100+ billion in fixed income assets means deep resources and healthy bond allocations

A Long History – of Team Tenure, Strong Returns, and Low Volatility

- Excellent risk-adjusted returns
- 33 years – as a firm, and as a short bond manager
- Firm leaders and Investment Policy Committee each average 23 years together – through Great Recession, Enron/Worldcom, Dot-com bubble, EM crises, and last hard Fed tightening cycle – longer than many firms' histories

Focus on Liquidity

- Liquidity is critical to maintaining flexibility
- Emphasis on cash bonds

Avoidance of Problem Securities and Sectors

- Superior low default record
- No exposure to complex structured securities, such as SIVs, CDOs, etc.

Depth of Firm Resources

- Deep team of experienced investment professionals – covering all sectors
- Strong operations and compliance teams with well tested controls
- Global perspective through world-wide client base and multiple offices



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Payden Overview

Our Firm



STEADFASTLY INDEPENDENT

- EMPLOYEE-OWNED
- NIMBLE

33 YEARS

- CONSISTENT OWNERSHIP
- PROVEN GOVERNANCE



LOS ANGELES | BOSTON | LONDON | PARIS

INNOVATIVE SOLUTIONS

- PIONEER IN BALANCE SHEET MANAGEMENT
- MULTIPLE AND CUSTOM APPROACHES

GLOBAL PRESENCE

- GLOBAL CLIENT BASE
- GLOBAL INVESTMENT STRATEGIES

Advising the World's Leading Institutions

\$100
BILLION
AUM

23
ACCOUNTS
OVER
\$1BILLION

350
CLIENT
RELATIONSHIPS

25
YEARS
AVERAGE TENURE OF
MANAGEMENT TEAM

\$200-400
MILLION
AVERAGE
ACCOUNT SIZE

200
EMPLOYEES

Leadership



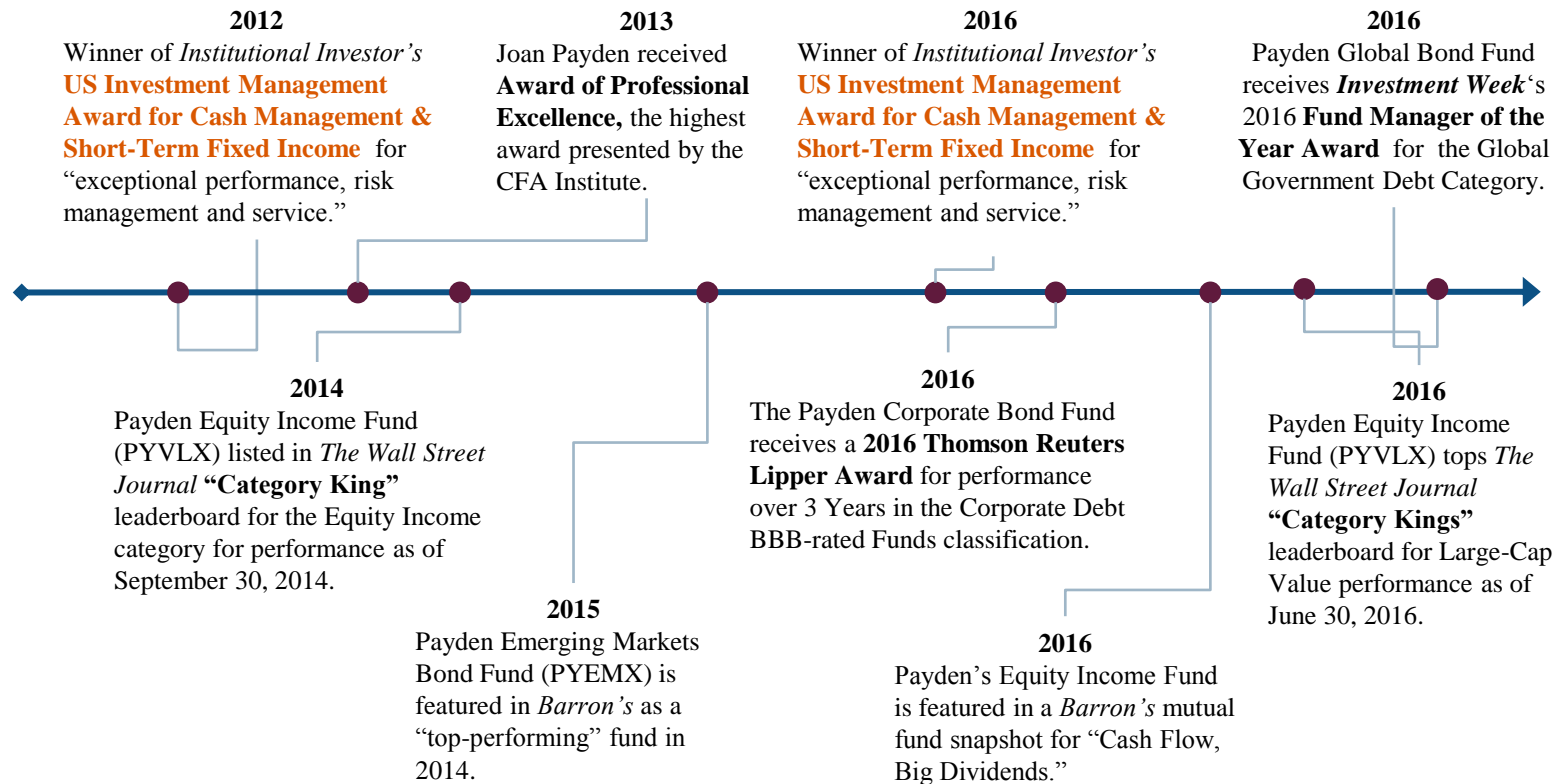
Shareholders	Title	Experience	Payden Tenure
Joan A. Payden, CFA*	CEO & Chair, Executive Committee	43 yrs	33 yrs
Brian W. Matthews, CFA*	CFO, Executive Committee	35	31
James P. Sarni, CFA*	Executive Committee	34	26
Mary Beth Syal, CFA*	Executive Committee	32	26
Scott J. Weiner, Ph.D.*	Executive Committee	33	24
Edward S. Garlock, Esq.	Executive Committee – Legal	39	20
Kristin J. Ceva, Ph.D., CFA*	Executive Committee – Investment Strategy	28	19
Gregory T. Morrison, CFA, CPA	Executive Committee – Information Technology	24	19
Robin B.B. Creswell, FCSI	Executive Committee – Institutional Clients – UK	38	18
Asha B. Joshi, CFA*	Managing Principal – Institutional Clients	33	23
Michael E. Salvay, CFA*	Managing Principal – Investment Strategy	33	20
Justin G. Bullion, CFA	Managing Principal – Institutional Clients – Boston	26	7
James T. Wong, CFA*	Managing Principal – Investment Strategy	26	22
Nigel Jenkins, ASIP*	Managing Principal – Investment Strategy – UK	28	11
David P. Ballantine, CFA, CFP	Principal – Investment Strategy	32	26
Yot Chatrabhuti	Principal – Operations	32	20
Mark J. Morris, CFA	Principal – Institutional Clients – UK	30	15
Sabur Moini	Principal – Investment Strategy	30	17
Erinn King, CFA	Principal – Institutional Clients – Boston	14	7
Jeffrey C. Cleveland	Principal – Chief Economist	13	11
Arthur Hovsepian, CFA	Principal – Investment Strategy	22	13
Bradley Hersh	Principal – Treasurer	27	19

* Investment Policy Committee

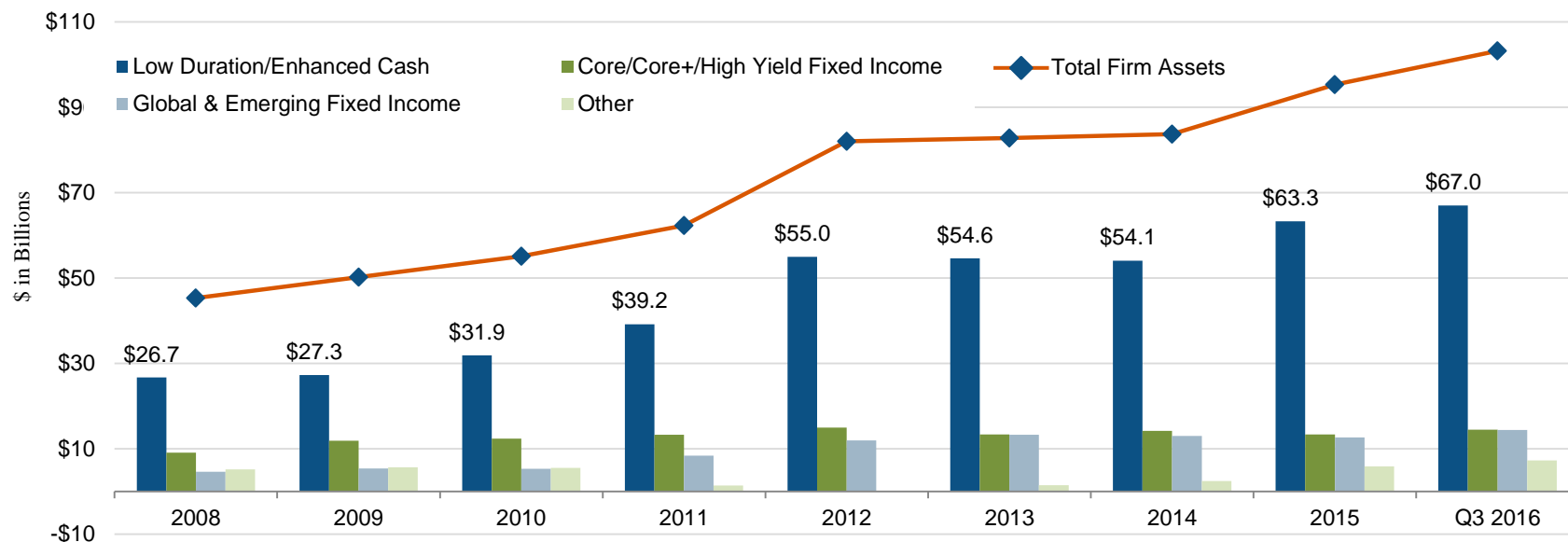
Awards, Ranks, and Recognition



We measure the success of our approach by the longevity of our current client relationships and by the continued interest in our strategies and growth in assets from new relationships. Below are highlights of our third-party acknowledgements.



Assets Under Management



Assets Under Management (\$bn)

	2011	2012	2013	2014	2015	9/30/2016
Firm-Wide	62.1	81.8	82.8	83.7	95.3	103.2
Low Duration (1-3, 1-5)	38.2	54.1	55.1	54.1	63.3	67.0
Enhanced Cash*	18.0	25.9	21.8	24.2	26.8	27.0

* Representing 83 Enhanced Cash client accounts as of 9/30



II

Payden Enhanced Cash: Team, Investment Philosophy, and Process

Enhanced Cash Strategy Overview



Objective:

- Produce benchmark-beating total return with lower risk profile
- Minimum return of 110% of benchmark net of fees
- No negative years

Strategy Features:

- Major themes set by Investment Policy Committee
- Fundamental analysis guides issuer selection
- Each decision a potential alpha generator
- Sector specialists contribute best ideas
- Strategy specialist blends themes, opportunities, and risk control

Benefits:

- Seasoned experienced investment team
- Environment-driven decision process
- Risk control through qualitative and quantitative methods
- Independent research identifying strong and weak individual issuers

Strategy Team



INVESTMENT POLICY COMMITTEE

- Sets Broad Investment Themes
- Risk Management Oversight

Mortgage

Emerging
Markets

IG Credit

LOW DURATION

Core Bond

Equity Income

High Yield

STRATEGY

Mary Beth Syal, CFA
Managing Principal

STRATEGY

Larry Manis, CFA
Senior Vice President

STRATEGY

Amy Marshall, CFA
Vice President

STRATEGY

Adam Congdon
Vice President

Research

Corporate

- Alexander Kerhulas
- Dave Kelley
- Deryck O'Brien, CFA
- Elizabeth Li, CFA
- Cameron Dow
- Irina Marsee, CFA
- Jordan Lopez, CFA
- Michael Hannallah, CFA
- Samrat Kanodia – London
- Kyle Martin, CFA
- Ksenia Koban, CFA

Structured Product

- Dave Ballantine, CFA
- Jeff Schwartz, CFA
- Gary Greenberg, CFA
- Mike Kagawa
- Clark Henry, CFA

Dedicated Implementation

Portfolio Architecture & Risk Management

- Davy Sim, CFA
- Irene Manousiouthakis
- Edward Policastro, CFA

Trading

- Kerry Rapanot, CFA
- Ian Rhee
- Nikhil Bhatia
- Alan Mimms – London
- Jared Boneno, CFA
- Sarah Tsai
- Gary Greenberg, CFA
- Christian Leveque
- Finn Nobay – London

Integrated Research

Economics

Sovereign Analysis

Global Rates

Currency

Research & Strategy Resources – Senior & Experienced

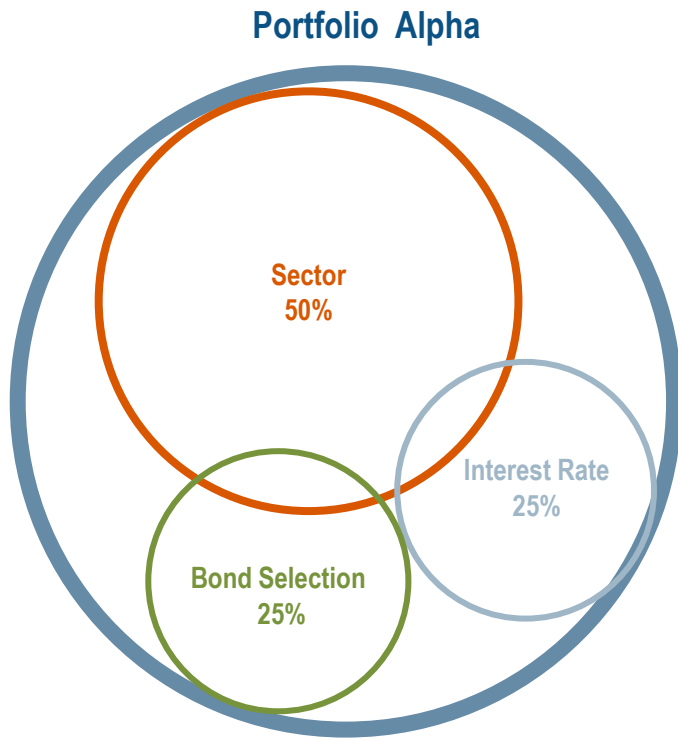


Corporate & Municipal Credit Resources	Yrs Exp
James Wong, CFA – Managing Principal – <i>Head, Equities & Research</i>	26
Sabur Moini – Principal – <i>Head, High Yield Strategy</i>	30
Natalie Trevithick, CFA – Sr Vice President – <i>Head, IG Strategy</i>	19
Alfred Giles, III, CFA – Sr Vice President – <i>Head, Corp Research, Media, Telecom</i>	16
Michael Hannallah, CFA – Vice President – <i>Financials</i>	19
Samrat Kanodia – <i>Financials</i>	12
David Kelley – <i>Industrials</i>	35
Alexander Kerhulas – <i>Retail, Chemicals, Paper</i>	5
Ksenia Koban – Vice President – <i>Municipals</i>	9
Elizabeth Li, CFA – Vice President – <i>Consumer, Healthcare</i>	20
Jordan Lopez, CFA – Sr Vice President – <i>Consumer</i>	13
Raymond Mak, CFA – <i>Credit Risk</i>	9
Irina Marsee, CFA – <i>Industrials</i>	20
Kyle Martin, CFA – <i>Utilities, MLPs, REITs</i>	12
Deryck O’Brien, CFA – Vice President – <i>Energy, Autos</i>	22
Cameron Dow – <i>Tech, Media, and Telecom</i>	3
Christian Leveque – <i>Municipals</i>	11
Nicolas Manley, CFA – <i>Municipals</i>	10

Sovereign, Currency, & Economics Resources	Yrs Exp
Kristin Ceva, PhD, CFA – Managing Principal – <i>Head, EMD</i>	28
Nigel Jenkins – Managing Principal – <i>Head, GFI, Currency</i>	28
Jeffrey Cleveland – Principal – <i>Chief Economist</i>	13
Arthur Hovsepian, CFA – Principal – <i>Sovereign</i>	22
Darren Capeloto – Sr Vice President – <i>Sovereign</i>	20
Damon Eastman, CFA – Sr Vice President – <i>Sovereign</i>	16
Vlad Milev, CFA – Sr Vice President – <i>Sovereign</i>	14
Akiko Hayata, CFA – Sr Vice President – <i>Currency</i>	13
Peter Beer – Vice President – <i>Economics</i>	6
Ehsan Iraniparast – <i>Sovereign</i>	11
Alexis Roach – <i>Sovereign</i>	10
Dmitry Zolotarevsky – <i>Sovereign</i>	18
Paul Saint Pasteur – <i>Sovereign</i>	10
Shakil Shah – <i>Sovereign</i>	9
Alex King – <i>Sovereign</i>	6

ABS/MBS Resources	Yrs Exp
Dave Ballantine, CFA – Principal – <i>Head, ABS/MBS</i>	32
Gary Greenberg, CFA – Sr Vice President – <i>MBS/CMBS</i>	25
Jeff Schwartz, CFA – Sr Vice President – <i>RMBS</i>	25
Mike Kagawa – Vice President – <i>ABS</i>	28
Clark Henry, CFA – Quantitative Analyst – <i>All Products</i>	6

Expected Alpha Sources

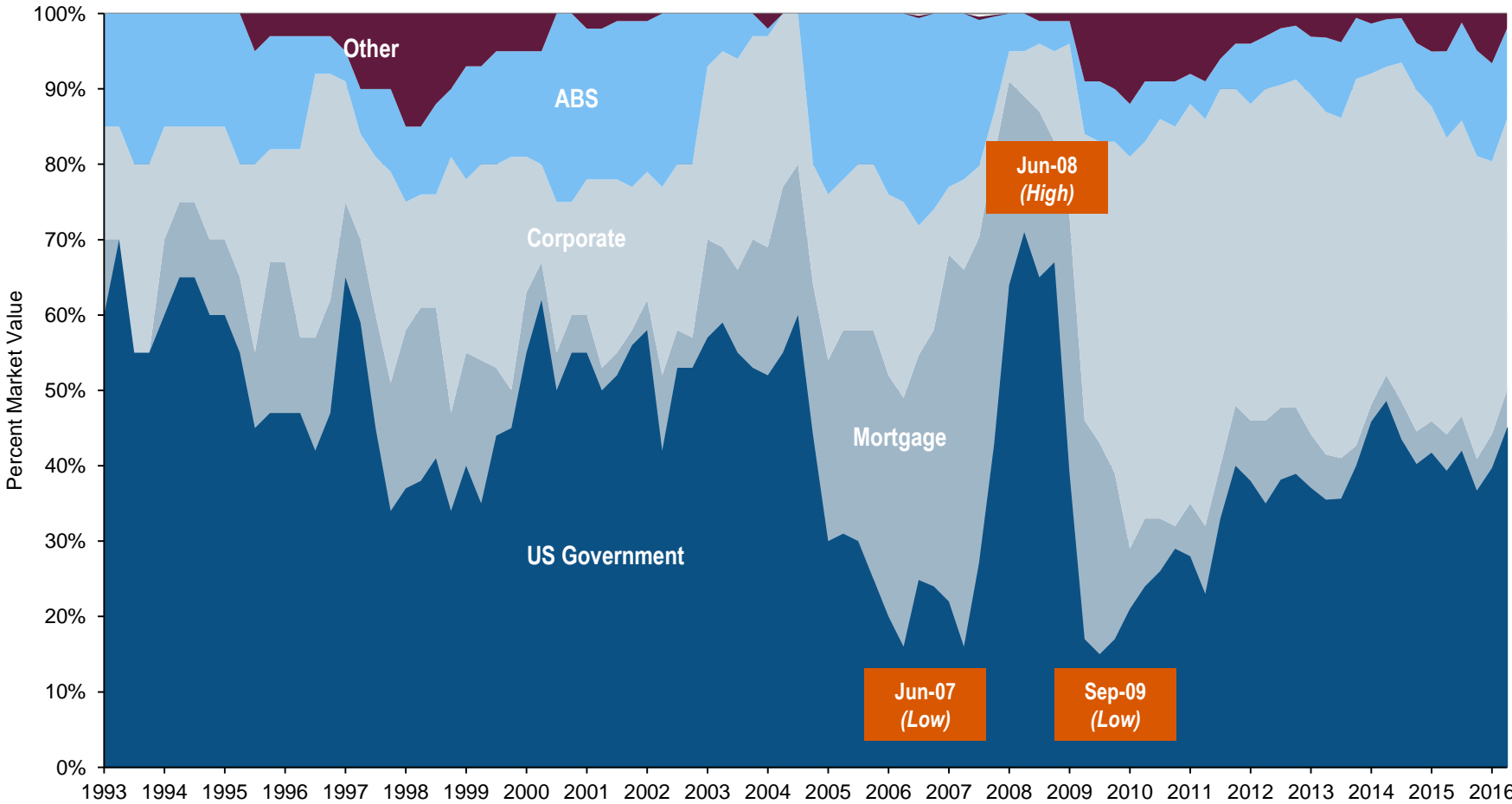


- **Bond Selection - 25%:** Credit analysis – identify undervalued bonds
 - Rigorous bottom-up analysis
 - Aim to achieve better-than-market return
 - Emphasize conviction trades
- **Interest Rate- 25%:** Active management to express long term strategic views, while mindful of short-term dislocations to take of advantage of tactical opportunities
 - Optimization of yield curve positioning and roll-return
 - Range-bound market adds opportunity to trade tactically
- **Sector - 50%:** Multi-sector income focused portfolio including, MBS, Corporate, Emerging Market, Securitized bonds
 - Relative value analysis to identify sectors with spread compression potential and / or yield carry
 - Evaluate new segments of market sectors

Active Management: Finding Opportunities and Avoiding Pitfalls



Historical Sector Positioning



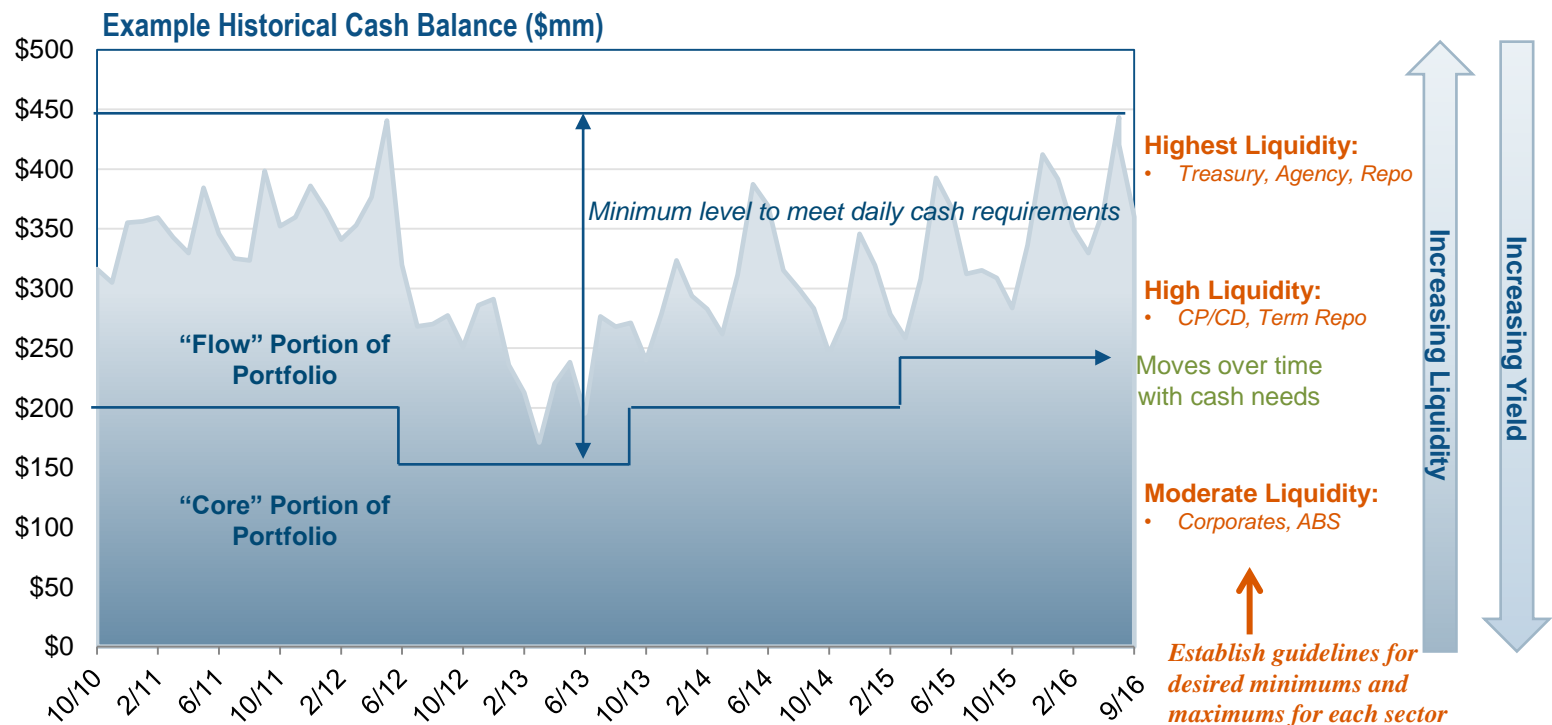
Our active management approach includes adjusting sector weights based on the economic environment.

Managing Liquidity – An Example of Customization



The key is providing an optimal portfolio for better *income, diversification, and liquidity ... and control over guidelines and impacts from money market fund reform*

- ERSRI and Payden would study historical minimum cash balance needs
- Investment portfolio can then match “flow” needs with the most liquid and least-transaction cost securities
 - “Core” (non-flow) portion matched more appropriately with longer maturities and a broader tool kit
- Together we adjust the balance as we experience actual cash flows



Fixed Income Risks and Payden & Rygel Responses



	Risk	Responses
Duration and Yield Curve	Risk of negative total return and risk of realizing losses when raising cash from negative mark-to-market.	<ul style="list-style-type: none"> Understand and manage to liquidity needs Develop long-term market outlook and position according to fundamental analysis
Credit	Deteriorating credit fundamentals can provide poor total returns, and risk of “headline shock.”	<ul style="list-style-type: none"> Independent credit research process Diversification of securities and counterparties
Structure	Accelerated principal prepayments can result in reinvestment risk. Delayed principal payments can result in extension risk.	<ul style="list-style-type: none"> Stress test ABS/MBS weighted average life assumptions Avoid extendible securities
Liquidity	Challenges in providing cash when needed at minimum cost and changing strategic focus.	<ul style="list-style-type: none"> Analyze bid/ask relative to yield and expected holding period Only purchase \$250MM and larger deals with multiple market-markers Esoteric structures do not provide the necessary liquidity
Execution	Transaction costs and inefficiencies reduce portfolio realized total return.	<ul style="list-style-type: none"> Dedicated trading professionals Best Execution Policy and Committee oversight Independent compliance team monitoring portfolio guidelines and limitations
Operational	Risk of failed trades, rogue trading, and compliance violations.	<ul style="list-style-type: none"> Internal controls and compliance Separation of duties SSAE 16 / ISAE 3402 Type II audit Errors and omissions insurance Disaster recovery planning Proprietary compliance system

Risk Management at Payden & Rygel



Risk management is embedded throughout the investment process and is a responsibility of everyone involved. We cannot predict the future, but we can anticipate possible outcomes. Do potential returns compensate for the risk we are taking? Are we going to miss out on a potential opportunity?

Team Approach

Collaboration across multiple teams

- Contributors: Investment Policy Committee, Strategy Groups, Trading, Analysts, IT
- Coordinated by: Portfolio Architecture, Client Portfolio Managers, and Compliance

Qualitative and Quantitative

No individual risk model dictates strategy – accountability ultimately lies with people

- **Recognize Risk:** Monitor portfolio positions to Client guidelines, strategy parameters, and risk position limits
- **Anticipate and Measure:** Project and test impact of current risk positioning and potential strategy shifts
- **Evaluate:** Assess reasonability with quantitative output, “Experience matters!”

State-of-the-art Risk Tools

Dedicated to Technology Independence

- Proprietary development with dedicated engineers and integrity analysts
- Retain “Best-in-Class” external systems



III

Proposed Guidelines, Benchmark, and Sample Enhanced Cash Portfolio

ERSRI Proposed Guidelines - Enhanced Cash Portfolio



Objective	<p>Preservation of principal;</p> <p>Provide for client liquidity requirements;</p> <p>Earn superior risk-adjusted returns relative to benchmark.</p>
Strategy	Enhanced Cash
Benchmark	<p>Bank of America Merrill Lynch 0-1 Year US Treasury Index OR</p> <p>Bank of America Merrill Lynch 1 Year US Treasury Index</p>
Duration / Maturity	<ul style="list-style-type: none"> Maximum maturity 3.5 years Maximum portfolio duration: 1.25 years
Possible Securities (100% US Dollar)	<p>Fixed-income instruments of U.S. and non-U.S. issuers, such as:</p> <ul style="list-style-type: none"> Obligations of Governments or their agencies; Securities guaranteed by such Governments or their agencies; Corporate securities, including covered bonds; Mortgage-backed securities; Asset-backed securities; Money-market instruments, including repos, certificates of deposits and commercial paper;
Quality	<ul style="list-style-type: none"> Minimum Average Portfolio Quality: AA- Minimum Quality of any Security: Investment Grade No more than 15% of the portfolio will be invested in securities rated BBB or A2/P2.

Stability of Payden's Enhanced Cash Strategy



- Since its inception in 1984, the Payden & Rygel enhanced cash strategy composite has had a total of eleven 3-month periods (3% of observations) with negative returns; Payden's enhanced cash long strategy composite has had a total of ten 3-month periods (5% of observations) with negative returns since its inception in 1999.
- Payden's cash management strategies generated positive returns over any six-month period.

Payden Enhanced Cash Strategy	Rolling: 1 Month	2 Month	3 Month	4 Month	5 Month	6 Month
Total Periods	393	392	391	390	389	388
Minimum Return	(0.62)	(0.60)	(0.66)	(0.51)	(0.14)	0.06
Negative Periods (count)	33	14	11	8	2	0
Negative Periods (percentage)	8%	4%	3%	2%	1%	0%

Source: Payden & Rygel Enhanced Cash Composite gross returns from 01/01/1984 through 9/30/2016

Payden Enhanced Cash Long Strategy	Rolling: 1 Month	2 Month	3 Month	4 Month	5 Month	6 Month
Total Periods	213	212	211	210	209	208
Minimum Return	(0.39)	(0.39)	(0.35)	(0.13)	(0.04)	0.05
Negative Periods (count)	24	13	10	7	1	0
Negative Periods (percentage)	11%	6%	5%	3%	0%	0%

Source: Payden & Rygel Enhanced Cash Long Composite returns from 01/01/1999 through 9/30/2016

Past performance is not a guarantee of future results.

Enhanced Cash and Low Duration Composite Performance

As of September 30, 2016



COMPOSITE RETURNS*

	YTD	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Trailing 10 Years
P&R Enhanced Cash	0.91%	0.95%	0.63%	0.67%	1.39%
3-Month Treasury Bill	0.19%	0.18%	0.09%	0.08%	0.89%
P&R Enhanced Cash Long	1.65%	1.69%	1.14%	1.24%	2.45%
BAML 1 Year Treasury Index	0.71%	0.54%	0.35%	0.32%	1.53%
P&R Low Duration	1.70%	1.54%	1.26%	1.41%	2.65%
BAML 1-3 Year U.S. Treasury Index	1.32%	0.88%	0.85%	0.69%	2.25%
P&R Low Duration Plus	2.48%	2.38%	1.85%	2.31%	3.30%
BAML 1-3 Year U.S. Corp & Gov Index**	1.68%	1.32%	1.11%	0.89%	2.35%
P&R Low Duration Long	2.96%	2.66%	2.20%	2.45%	3.49%
BAML 1-5 Year U.S. Treasury Index	2.20%	1.52%	1.43%	1.11%	2.97%

* Gross of fees. Returns for periods greater than one year are annualized. Enhanced Cash inception 1/1/84. Enhanced Cash Long inception 1/1/99. Low Duration inception 1/1/84. Low Duration Plus inception 1/1/92. Low Duration Long inception 1/1/97.

** Prior to January 1, 2013, the benchmark was BAML 1-3 Year U.S. Treasury Index.

Sample Enhanced Cash Portfolio: 0-1 Year Benchmark

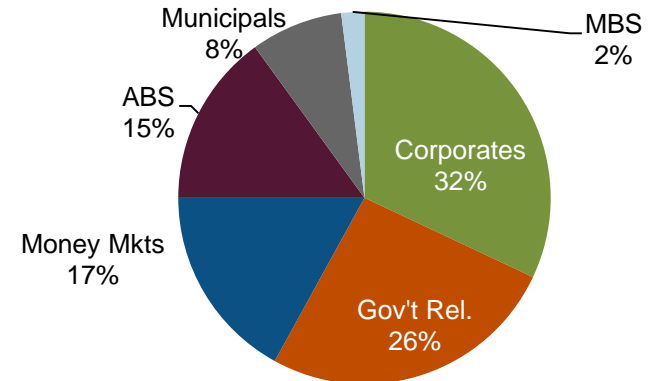


As of September 30, 2016

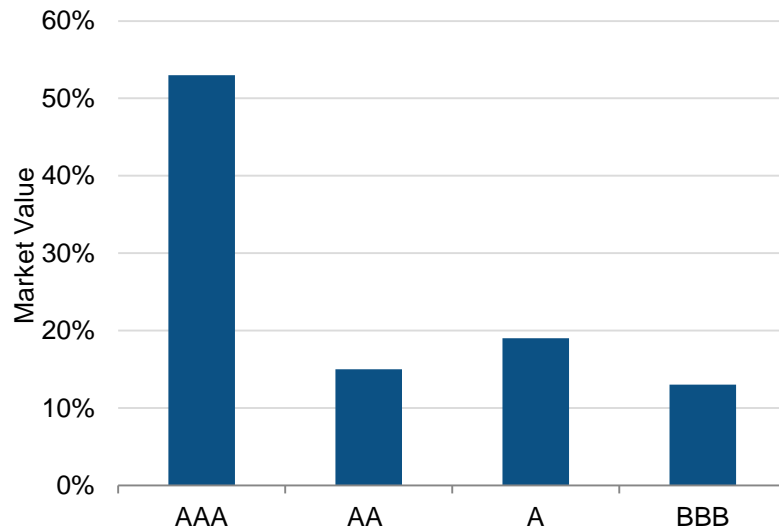
Characteristics	Portfolio	Benchmark*
Avg. Credit Quality	AA	AAA
Effective Duration	0.47 yrs	0.43 yrs
Yield to Maturity	1.06%	0.43%
Spread Duration	0.73 yrs	0.00 yrs
Floating Rate	30%	0%

*Benchmark is the BAML 0-1 Year Treasury Index

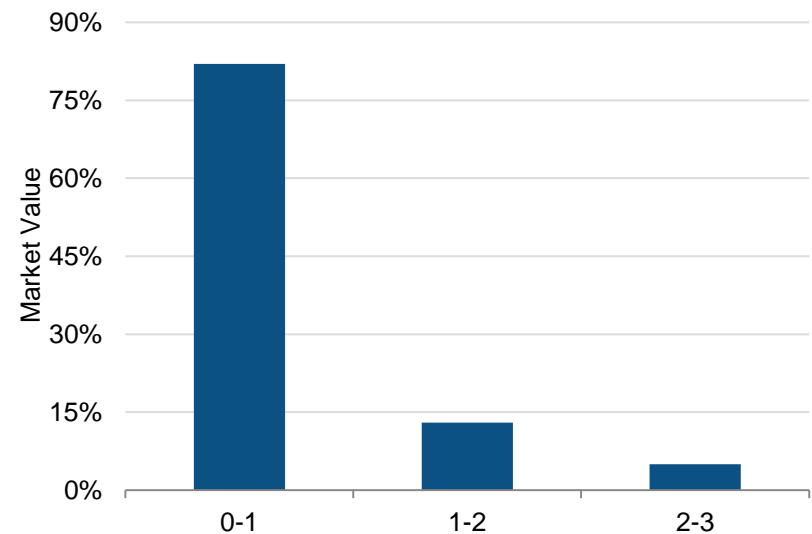
Sector Allocation



Credit Quality



Duration Distribution



Sample Enhanced Cash Portfolio: 1 Year Benchmark

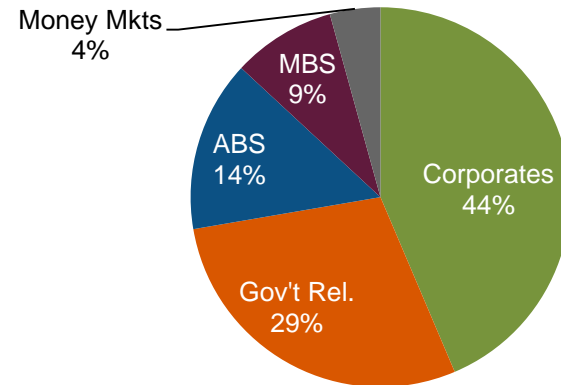


As of September 30, 2016

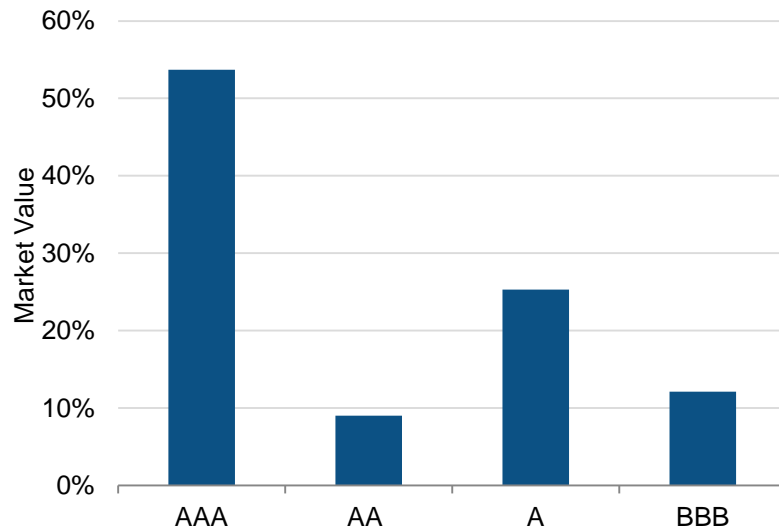
Characteristics	Portfolio	Benchmark*
Avg. Credit Quality	AA-	AAA
Effective Duration	0.83 yrs	0.91 yrs
Yield to Maturity	1.23%	0.66%
Spread Duration	1.17 yrs	0.00 yrs
Floating Rate	37%	0%

*Benchmark is the BAML 1 Year Treasury Index

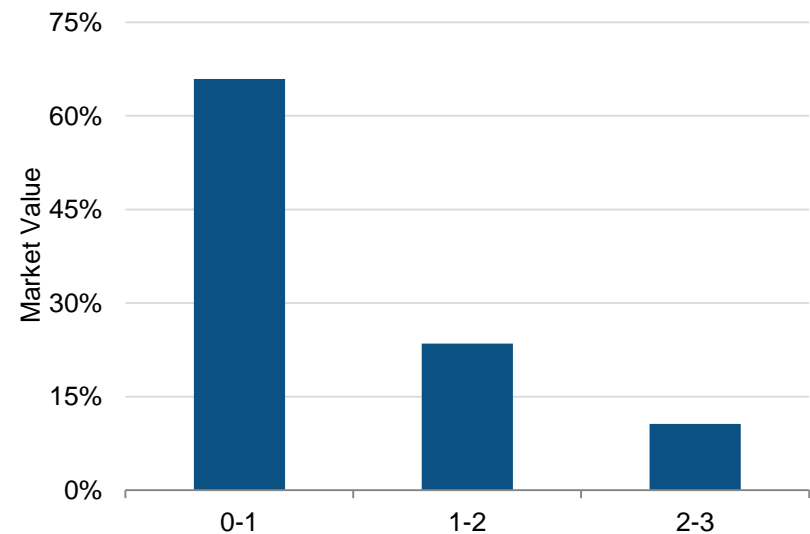
Sector Allocation



Credit Quality



Duration Distribution



Investment Management Fees



We are pleased to offer the following fee schedule for separate account investment management for an Enhanced Cash portfolio for The Employees' Retirement System of Rhode Island discounted from our standard fee. There are no further hidden fees.

The Employees' Retirement System of Rhode Island

- 0.12 of 1% on the first \$150 million of assets under management
- 0.10 of 1% on the next \$100 million
- 0.08 of 1% thereafter

Fees paid quarterly in arrears based on average assets under management and can be paid directly from custody account under standing instructions

Annual fee in dollars based on the above fee schedule:

- \$288,000 ±
- 11.1 bps
- Assumes \$259.5 million portfolio

What Does ERSRI Need in an Enhanced Cash Manager?



Possible Criteria:	Payden & Rygel	Payden & Rygel Experience
Focus on Principal Protection	✓	Balance need for total return with preservation of principal and avoid problem securities/sectors
Positive Liquidity Experience	✓	Liquidity is king – cash available when needed, no history of delays, no carve outs
Track Record of Low Volatility	✓	Understand the goals and role of a short-term fixed income portfolio
Ability to Customize Portfolios	✓	Demonstrated track record of effectively partnering with clients on custom mandates
Strong Risk-Adjusted Performance	✓	Top quartile performance
Transparency of Exposures and Process	✓	Reporting and transparency of information – critical; Strong communication link with committees, staff, custodian, and consultant
History	✓	Pioneers in short bond management – since 1983!
Importance of Short Bonds to the Business	✓	>60% of Payden assets under management
Risks <u>Avoided</u>	✓	Superior low default record, no SIVs, CDOs, etc.



IV

Appendix

- Composites
- Biographies

Payden & Rygel Performance Results – Enhanced Cash



Creation Date: January 1, 1984 • Performance through September 30, 2016 • Reporting Currency: USD

Year	Composite Gross Return (%)	Benchmark Return (%)	Composite Dispersion	No of Accounts	Composite Assets (millions)	% of Firm Assets	Composite 3-Year Std Dev (%)	Benchmark 3-Year Std Dev (%)
2006	5.05	4.77	0.11	35	5,814	11%	--	--
2007	4.64	4.91	0.52	41	8,051	14%	--	--
2008	1.50	2.10	1.27	34	4,698	10%	--	--
2009	2.16	0.17	1.09	33	5,736	11%	--	--
2010	0.65	0.13	0.52	37	6,081	11%	--	--
2011	0.47	0.08	0.42	36	6,572	11%	0.32	0.04
2012	1.04	0.08	0.62	37	12,857	16%	0.18	0.03
2013	0.44	0.05	0.17	27	8,407	10%	0.19	0.02
2014	0.45	0.04	0.19	29	9,620	11%	0.18	0.02
2015	0.38	0.03	0.12	32	10,321	11%	0.14	0.03
2016 YTD	0.91*	0.19*	--	36	11,886	12%	--	--

Trailing Returns (annualized)	Composite Gross Return (%)	Benchmark Return (%)
1 year	0.95	0.18
3 years	0.63	0.09
5 years	0.67	0.08
10 years	1.39	0.89
15 years	1.81	1.32
20 years	2.89	2.31
Since inception (1/1/1984)	4.94	3.89

* Unannualized

Compliance Statement

Payden & Rygel claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Payden & Rygel has been independently verified for the periods December 31, 1999 through December 31, 2014. A copy of the verification report is available upon request. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.

Definition of the Firm

Payden & Rygel is an independent investment advisor with its primary offices in Los Angeles, Boston, and London. The firm manages bond and equity portfolios for a diverse client base, including mutual funds based in the United States and Ireland. All discretionary accounts are included in a composite.

List of Composites

A complete list and description of firm composites and policies for valuing portfolios, calculating performance, and preparing compliant presentations are available on request.

Composite Description

The composite includes discretionary portfolios which invest in short-term, investment-grade fixed income securities. Portfolio durations are typically under one year.

Benchmark

The benchmark is the 3-Month Treasury Bill.

Fees

Returns are presented gross of management fees and custodial fees, but net of all trading expenses and withholding taxes. All accounts in the composite pay management fees. Our standard fee schedule is 0.15% on assets up to \$100 million and 0.125% thereafter.

Minimum Account Size

The minimum portfolio size for inclusion in the composite is \$25 million.

Internal Dispersion

Composite dispersion is calculated using the equal-weighted standard deviation of annual gross returns of those portfolios that were included in the composite for the entire year. Composite dispersion is not presented for periods with less than five accounts in the composite.

Payden & Rygel Performance Results – Enhanced Cash Long



Creation Date: June 1, 2008 • Performance through September 30, 2016 • Reporting Currency: USD

Year	Composite Gross Return (%)	Benchmark Return (%)	Composite Dispersion	No of Accounts	Composite Assets (millions)	% of Firm Assets	Composite 3-Year Std Dev (%)	Benchmark 3-Year Std Dev (%)
2006	5.06	4.32	0.37	9	1,498	3%	--	--
2007	4.98	5.95	0.35	6	1,103	2%	--	--
2008	4.29	4.75	--	≤5	946	2%	--	--
2009	5.11	0.80	--	≤5	1,822	4%	--	--
2010	1.97	0.83	0.53	10	2,635	5%	--	--
2011	1.06	0.57	0.27	16	3,892	6%	0.90	0.31
2012	1.95	0.24	0.72	19	5,411	6%	0.54	0.20
2013	0.90	0.25	0.25	19	4,309	5%	0.46	0.14
2014	0.82	0.18	0.11	17	3,580	4%	0.40	0.11
2015	0.63	0.15	0.10	21	7,455	8%	0.34	0.16
2016 YTD	1.65*	0.71	--	20	7,709	7%	--	--

Trailing Returns (annualized)	Composite Gross Return (%)	Benchmark Return (%)
1 year	1.69	0.54
3 years	1.14	0.35
5 years	1.24	0.32
10 years	2.45	1.53
15 years	2.62	1.83
Since inception (1/1/1999)	3.19	2.52

* Unannualized

Compliance Statement

Payden & Rygel claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Payden & Rygel has been independently verified for the periods December 31, 1999 through December 31, 2014. A copy of the verification report is available upon request. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.

Definition of the Firm

Payden & Rygel is an independent investment advisor with its primary offices in Los Angeles, Boston, and London. The firm manages bond and equity portfolios for a diverse client base, including mutual funds based in the United States and Ireland. All discretionary accounts are included in a composite.

List of Composites

A complete list and description of firm composites and policies for valuing portfolios, calculating performance, and preparing compliant presentations are available on request.

Composite Description

The composite includes discretionary portfolios which invest in short-term fixed income securities, generally with portfolio durations up to 18 months. Client guidelines may allow for limited allocations to high yield, emerging markets, and/or non-U.S. dollar securities. Portfolios may use forward currency transactions to hedge non-U.S. dollar exposure.

Benchmark

The benchmark is the BofA Merrill Lynch 1 Year Treasury Index.

Fees

Returns are presented gross of management fees and custodial fees, but net of all trading expenses and withholding taxes. All accounts in the composite pay management fees. Our standard fee schedule is 0.15% on assets up to \$100 million and 0.125% thereafter.

Minimum Account Size

The minimum portfolio size for inclusion in the composite is \$25 million.

Internal Dispersion

Composite dispersion is calculated using the equal-weighted standard deviation of annual gross returns of those portfolios that were included in the composite for the entire year. Composite dispersion is not presented for periods with less than five accounts in the composite.

Payden & Rygel Performance Results – Low Duration



Creation Date: January 1, 1984 • Performance through September 30, 2016 • Reporting Currency: USD

Year	Composite Gross Return (%)	Benchmark Return (%)	Composite Dispersion	No of Accounts	Composite Assets (millions)	% of Firm Assets	Composite 3-Year Std Dev (%)	Benchmark 3-Year Std Dev (%)
2006	4.57	3.96	0.06	19	3,240	6%	--	--
2007	6.33	7.32	0.22	19	3,523	6%	--	--
2008	3.59	6.61	1.96	21	3,597	8%	--	--
2009	4.55	0.78	1.76	26	4,593	9%	--	--
2010	2.79	2.35	0.54	22	4,713	9%	--	--
2011	1.67	1.55	0.33	24	4,853	8%	1.01	1.02
2012	2.47	0.43	0.87	34	6,380	8%	0.79	0.73
2013	0.74	0.36	0.15	30	6,420	8%	0.65	0.50
2014	0.95	0.62	0.10	29	7,242	9%	0.60	0.43
2015	0.78	0.54	0.10	34	9,614	10%	0.55	0.56
2016 YTD	1.70*	1.32*	--	33	10,168	10%	--	--

Trailing Returns (annualized)	Composite Gross Return (%)	Benchmark Return (%)
1 year	1.54	0.88
3 years	1.26	0.85
5 years	1.41	0.69
10 years	2.65	2.25
15 years	2.86	2.43
20 years	3.93	3.51
Since inception (1/1/1984)	5.92	5.40

* Unannualized

Supplemental Information

Composite assets include those accounts that have guidelines that allow Payden & Rygel to manage the accounts consistent with the Low Duration composite strategy. Due to the customized nature of client portfolios, some client guidelines contain restrictions that prevent Payden & Rygel from managing the portfolios consistent with the composite strategy or the composite's benchmark. In addition, some Low Duration portfolios are below the composite minimum market value for inclusion in the composite. Total Low Duration strategy assets, which include all portfolios outlined above, managed by Payden & Rygel as of September 30, 2016 are \$39,999 million.

Compliance Statement

Payden & Rygel claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Payden & Rygel has been independently verified for the periods December 31, 1999 through December 31, 2014. A copy of the verification report is available upon request. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.

Definition of the Firm

Payden & Rygel is an independent investment advisor with its primary offices in Los Angeles, Boston, and London. The firm manages bond and equity portfolios for a diverse client base, including mutual funds based in the United States and Ireland. All discretionary accounts are included in a composite.

List of Composites

A complete list and description of firm composites and policies for valuing portfolios, calculating performance, and preparing compliant presentations are available on request.

Composite Description

The composite includes discretionary portfolios which invest in short and intermediate-term fixed income securities. Holdings are primarily investment grade and portfolio average durations typically range from 1.4 to 3 years. Some accounts use interest rate derivatives, swaps, and currency forwards, to efficiently manage portfolio positioning.

Benchmark

The benchmark is the BofA Merrill Lynch 1-3 Year U.S. Treasury Index.

Fees

Returns are presented gross of management fees and custodial fees, but net of all trading expenses and withholding taxes. All accounts in the composite pay management fees. Our standard fee schedule is 0.20% on assets up to \$100 million and 0.15% thereafter.

Minimum Account Size

The minimum portfolio size for inclusion in the composite is \$25 million.

Internal Dispersion

Composite dispersion is calculated using the equal-weighted standard deviation of annual gross returns of those portfolios that were included in the composite for the entire year. Composite dispersion is not presented for periods with less than five accounts in the composite.

Payden & Rygel Performance Results – Low Duration Plus



Creation Date: January 1, 1992 • Performance through September 30, 2016 • Reporting Currency: USD

Year	Composite Gross Return (%)	Benchmark Return (%)	Composite Dispersion	No of Accounts	Composite Assets (millions)	% of Firm Assets	Composite 3-Year Std Dev (%)	Benchmark 3-Year Std Dev (%)
2006	4.59	3.96	0.10	6	1,355	3%	--	--
2007	6.16	7.32	0.17	7	1,168	2%	--	--
2008	1.23	6.61	1.37	8	1,088	2%	--	--
2009	7.70	0.78	1.00	9	1,265	3%	--	--
2010	4.18	2.35	1.09	8	1,490	3%	--	--
2011	2.08	1.55	0.72	11	1,915	3%	1.52	1.02
2012	4.68	0.43	0.97	12	2,281	3%	1.19	0.73
2013	1.19	0.71	0.47	12	2,708	3%	1.16	0.53
2014	1.38	0.78	0.48	11	2,614	3%	1.01	0.48
2015	1.03	0.67	0.20	13	2,954	3%	0.85	0.57
2016 YTD	2.48*	1.68*	--	15	3,003	3%	--	--

Trailing Returns (annualized)	Composite Gross Return (%)	Benchmark Return (%)
1 year	2.38	1.32
3 years	1.85	1.11
5 years	2.31	0.89
10 years	3.30	2.35
15 years	3.41	2.50
20 years	4.40	3.56
Since inception (1/1/1992)	4.97	3.93

* Unannualized

Compliance Statement

Payden & Rygel claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Payden & Rygel has been independently verified for the periods December 31, 1999 through December 31, 2014. A copy of the verification report is available upon request. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.

Definition of the Firm

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List of Composites

A complete list and description of firm composites and policies for valuing portfolios, calculating performance, and preparing compliant presentations are available on request.

Composite Description

The composite includes discretionary portfolios which invest in short and intermediate-term fixed income securities. Holdings are primarily investment grade, and portfolio average durations typically range from 1.4 to 3 years. Some accounts use interest rate derivatives, swaps, and currency forwards, to efficiently manage portfolio positioning.

Benchmark

As of January 1, 2013 the benchmark was changed to the BofA Merrill Lynch 1-3 Year U.S. Corporate & Government Index to more accurately reflect the composite strategy. Prior to January 1, 2013, the benchmark was the BofA Merrill Lynch 1-3 Year U.S. Treasury Index.

Fees

Returns are presented gross of management fees and custodial fees, but net of all trading expenses and withholding taxes. All accounts in the composite pay management fees. Our standard fee schedule is 0.20% on assets up to \$100 million and 0.15% thereafter.

Minimum Account Size

The minimum portfolio size for inclusion in the composite is \$25 million.

Internal Dispersion

Composite dispersion is calculated using the equal-weighted standard deviation of annual gross returns of those portfolios that were included in the composite for the entire year. Composite dispersion is not presented for periods with less than five accounts in the composite.

Payden & Rygel Performance Results – Low Duration Long



Creation Date: February 1, 2002 • Performance through September 30, 2016 • Reporting Currency: USD

Year	Composite Gross Return (%)	Benchmark Return (%)	Composite Dispersion	No of Accounts	Composite Assets (millions)	% of Firm Assets	Composite 3-Year Std Dev (%)	Benchmark 3-Year Std Dev (%)
2006	4.50	3.81	--	≤5	578	<1%	--	--
2007	6.42	8.16	--	≤5	324	<1%	--	--
2008	1.49	8.73	--	≤5	348	<1%	--	--
2009	6.41	0.23	--	≤5	395	<1%	--	--
2010	4.81	3.62	--	≤5	488	<1%	--	--
2011	3.40	3.36	--	6	740	1%	1.68	1.83
2012	4.47	0.91	1.52	≤5	711	1%	1.31	1.38
2013	0.89	-0.19	0.85	7	1,154	1%	1.33	1.16
2014	1.90	1.24	0.38	8	1,341	2%	1.29	1.02
2015	1.27	0.98	0.19	9	1,505	2%	1.26	1.20
2016 YTD	2.96*	2.20*	--	9	1,542	1%	--	--

Trailing Returns (annualized)	Composite Gross Return (%)	Benchmark Return (%)
1 year	2.66	1.52
3 years	2.20	1.43
5 years	2.45	1.11
10 years	3.49	2.97
15 years	3.60	3.00
Since inception (1/1/1997)	4.46	3.97

* Unannualized

Compliance Statement

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List of Composites

A complete list and description of firm composites and policies for valuing portfolios, calculating performance, and preparing compliant presentations are available on request.

Composite Description

The composite includes discretionary portfolios which invest in short and intermediate-term fixed income securities. Client guidelines may allow for limited allocations to high yield, emerging markets, and/or non-dollar securities. Portfolio durations typically range from 2 to 4 years. Some accounts use interest rate derivatives, swaps, and currency forwards, to efficiently manage portfolio positioning.

Benchmark

The benchmark is the BofA Merrill Lynch 1-5 Year U.S. Treasury Index.

Fees

Returns are presented gross of management fees and custodial fees, but net of all trading expenses and withholding taxes. All accounts in the composite pay management fees. Our standard fee schedule is 0.20% on assets up to \$100 million and 0.15% thereafter.

Minimum Account Size

The minimum portfolio size for inclusion in the composite is \$25 million.

Internal Dispersion

Composite dispersion is calculated using the equal-weighted standard deviation of annual gross returns of those portfolios that were included in the composite for the entire year. Composite dispersion is not presented for periods with less than five accounts in the composite.

Biographies – Low Duration Team



Mary Beth Syal, CFA®
Managing Principal

1991 – Joined Payden & Rygel

Mary Beth Syal, CFA®, is a managing principal at Payden & Rygel and a member of the Executive Committee of the board of directors. Syal is a member of the firm's Investment Policy Committee. She directs the firm's low duration strategies and also serves as a senior portfolio manager advising corporations, insurance companies and family offices. She is a trustee of The Payden & Rygel Investment Group, the sponsor of the Paydenfunds, for which Payden & Rygel is the investment adviser.

Prior to joining Payden & Rygel, Syal was a portfolio manager and strategist at Amervest Company, Inc., where she was the co-chair of the Investment Strategy Committee.

Mary Beth Syal is a member of the CFA® Society of Los Angeles and the CFA® Institute. In addition, she serves on the Investment Committee of the Western Province of the Religious of the Sacred Heart of Mary.

Syal holds the Chartered Financial Analyst® designation. She earned a BA degree in Government from Smith College in Northampton, Massachusetts.



Larry Manis
Senior Vice President

2014 – Joined Payden & Rygel

Larry Manis is a senior vice president at Payden & Rygel. He is responsible for the implementation and monitoring of investment policies and strategies for a variety of institutional clients, including corporations, endowments, foundations, insurance companies, pension funds and private clients.

Prior to joining Payden & Rygel, Manis was at Credit Suisse in New York, where he was responsible for the risk management of the bank's options portfolio and also worked with large institutional clients to identify investment opportunities and manage interest rate exposure. Prior to joining Credit Suisse, Larry worked at Citigroup where he managed a portfolio of alternative investments and advised corporate clients on the financing of transportation and power assets.

Larry Manis holds the Financial Industry Regulatory Authority series 7, 3 and 63 licenses. He earned a BA in economics from Columbia University.



Amy K. Marshall, CFA®
Vice President

2011 – Joined Payden & Rygel

Amy Marshall, CFA® is a fixed-income portfolio analyst and enhanced cash strategist at Payden & Rygel. She is responsible for developing and implementing investment strategies in short maturity portfolios for corporations, healthcare organizations, pension plans and insurance companies. She performs market analysis identifying strategic opportunities across sectors in the enhanced cash and money market maturity universe within developed countries.

Prior to joining Payden & Rygel, Marshall was a vice president in the institutional short-term fixed-income group at Bank of America Merrill Lynch in New York.

Amy Marshall holds the Chartered Financial Analyst® designation, and is a member of the CFA® Society of Los Angeles and the CFA® Institute. She earned a BS in Mathematics at University of Notre Dame.



Kerry G. Rapanot, CFA®
Senior Vice President

2002 – Joined Payden & Rygel

Kerry Gawne Rapanot, CFA®, is a senior vice president and manager of the cash trading desk at Payden & Rygel. She is responsible for overseeing trading activity in the firm's liquidity-oriented portfolios within the low duration strategy group. In addition she is responsible for trading and evaluating relative value within the one- to five-year maturity US dollar-denominated Government, Agency and Supranational investment universe.

Before joining Payden & Rygel, Rapanot was part of the institutional fixed-income group at Salomon Smith Barney where she sold bonds to institutional clients such as local governments and bank trust departments. Previously, she was with TD Waterhouse assisting retail clients with financial planning.

Kerry Rapanot holds the Chartered Financial Analyst® designation, and the FINRA series 7 and 63 licenses. She is President of the CFA® Society of Los Angeles and a member of the CFA® Institute. She is also a member of the Los Angeles Association of Investment Women and is a past president and board member.

She earned a BBA degree from Wilfrid Laurier University, Ontario, Canada, with an emphasis in finance and a minor in economics.

Biographies – Low Duration Team



Adam Congdon, CFA®

Vice President

2014 – Joined Payden & Rygel

Adam Congdon is a vice president and portfolio manager at Payden & Rygel. He is responsible for formulating, implementing, and monitoring fixed-income strategies for tax-advantaged portfolios. He performs market analysis identifying relative value opportunities across both taxable and tax-exempt sectors.

Prior to joining the Payden & Rygel, Congdon was a fixed-income trader at Performance Trust Capital Partners in Chicago where he was responsible for managing a portfolio of both taxable and tax-exempt municipal securities.

Adam Congdon holds the Chartered Financial Analyst® designation and Financial Industry Regulatory Authority series 7, 24, 53, and 66 licenses. Congdon is a member of the CFA® Society of Los Angeles and the CFA® Institute. He earned a BBA in accounting and finance from the University of Wisconsin-Milwaukee.



Davy Sim, CFA®

Fixed-Income Portfolio Analyst

2013 – Joined Payden & Rygel

Davy Sim, CFA®, is a fixed-income portfolio analyst at Payden & Rygel. He maintains portfolio structure reports, sets up trade programs and provides portfolio analytical details for the Low Duration group. In addition, he is responsible for calculating performance attribution and providing commentary on portfolios for corporations, endowments, healthcare organizations and insurance companies.

Prior to joining Payden & Rygel, Davy worked as a research coordinator at Floe Financial Partners, an independent advisory practice in Pasadena, California.

Davy Sim is a member of the CFA® Society of Los Angeles and the CFA® Institute.

He holds the Chartered Financial Analyst® designation and Financial Industry Regulatory Authority series 7 and 66 licenses. He earned a BS degree in Business Administration at the University of Southern California in Los Angeles, California.



Jared L. Boneno, CFA®

Vice President

2011 – Joined Payden & Rygel

Jared Boneno is a vice president and a corporate bond trader within the low duration strategy group at Payden & Rygel. His responsibilities include relative value trading, developing and implementing corporate bond investment programs, corporate market analysis and surveillance related to portfolio positioning.

Prior to joining Payden & Rygel, Boneno was a senior analyst at Income Research & Management in Boston, where he held trading, portfolio research and analysis and client service responsibilities. Before working at Income Research & Management, Boneno worked for Bear, Stearns & Co. Inc. in various roles. He also served as an Officer in the United States Navy.

Jared Boneno holds the Chartered Financial Analyst® designation, and is a member of the CFA® Society of Los Angeles and the CFA® Institute. Boneno earned a BSM in Finance at Tulane University in New Orleans, LA where he was also participated in the Navy Reserve Officer Training Corps.



Irene N. Manousiouthakis

Portfolio Analyst

2014 – Joined Payden & Rygel

Irene Manousiouthakis is a fixed-income portfolio analyst within the low duration strategy team at Payden & Rygel. She is responsible for monitoring account positioning and performance, calculating portfolio attribution, and providing analytical support both for internal and client use.

Irene Manousiouthakis is a candidate for Level III in the Chartered Financial Analyst® program. She graduated magna cum laude with a BSE in bioengineering and minors in economics and engineering entrepreneurship from the University of Pennsylvania.

Biographies – Boston Client Portfolio Management



Justin G. Bullion, CFA
Managing Principal

2010 – Joined Payden & Rygel

Justin G. Bullion, CFA, is a managing principal at Payden & Rygel. He joined the firm in 2010 to head Payden's Boston office. Justin works with our east coast and global clients and coordinates with our London office and Metzler/Payden joint venture.

Prior to joining Payden & Rygel, Justin was a fixed income professional at Wellington Management Company, LLP in Boston, where over twelve years he held roles in product management, short duration portfolio management, and business management. Justin also worked for Miller Anderson & Sherrerd LLP (now Morgan Stanley Investment Management) and Blackstone (now BlackRock) Financial Management prior to joining Wellington.

Justin holds the Chartered Financial Analyst designation and is a member of the Boston Security Analysts Society. He earned a B.A. in Sociology at the University of Pennsylvania and is on the Massachusetts Board for the Trust for Public Land.



Jeffrey W. Murphy
Associate Vice President

2013 – Joined Payden & Rygel

Jeff Murphy is an associate vice president and portfolio analyst at Payden & Rygel. Based in the firm's Boston office, he works with portfolio managers to implement investment policy and strategy needs of institutional clients.

Prior to joining Payden & Rygel, Murphy was a portfolio analyst and equity operations analyst at Loomis Sayles. He was responsible for supporting a number of institutional clients and wrote monthly and quarterly high yield commentary.

Jeffrey Murphy holds the FINRA series 6 and 63 licenses. Murphy earned a BS in Business Administration from Ithaca College with a double concentration in marketing and management.



Elizabeth M. Westvold, CFA
Senior Vice President

2011 – Joined Payden & Rygel

Elizabeth M. Westvold, CFA, is a senior vice president at Payden & Rygel. Working in the Boston office as a Portfolio Manager, Beth is responsible for institutional client needs for East Coast and global clients, also serving as a liaison to the firm's London office and the Metzler/Payden joint venture.

Prior to joining Payden & Rygel, Beth was a managing director in BlackRock's global client group, responsible for developing and maintaining relationships with institutional clients. Prior to joining BlackRock in 2005, she was a fixed income portfolio manager with State Street Research & Management Co. and earlier worked in fixed income strategies for Harvard Management Company.

A member of the Boston Security Analysts Society, Beth holds the Chartered Financial Analyst designation. Beth is vice president and investment committee chair of the Trustees of Donations to the Episcopal Church. She earned an MBA from the Tuck School of Business at Dartmouth College and a BA, *cum laude*, in economics and biology from Middlebury College.



Lisa A. Matiash
Associate Vice President

2010 – Joined Payden & Rygel

Lisa Matiash is an associate vice president at Payden & Rygel. Based in the firm's Boston office, she works with portfolio managers to implement investment policy and strategy needs of institutional clients.

Prior to joining Payden & Rygel, Lisa was Research Coordinator at hedge fund Kaintuck Capital Management. She held various roles over seven years within research and trading, and headed the firm's marketing efforts. Prior to that Lisa worked within Ernst & Young LLP's tax practice, both domestically and abroad.

Lisa Matiash holds the FINRA series 6 and 63 licenses. She earned a BS in Business Administration from American University in Washington, D.C. with concentrations in Finance and International Economics.

Biographies – Key Contributors



Kristin Johnson Ceva, PhD, CFA®

Managing Principal

1998 – Joined Payden & Rygel

Kristin Ceva, PhD, CFA®, is a managing principal at Payden & Rygel. Ceva is a member of the firm's Investment Policy Committee and is a senior portfolio manager directing the firm's emerging market debt strategies. She also is a frequent speaker at industry forums, focusing on topics related to international investing and emerging markets.

Prior to joining Payden & Rygel, Ceva worked as a consultant for Deloitte & Touche, and with a number of international policy institutes including: the Pacific Council on International Policy, the Center for U.S.-Mexican Studies and the North America Forum at Stanford University.

Ceva serves as board member for EMpower, a non-profit organization founded by emerging markets financial professionals to support at-risk youth, and is on the California Committee of Human Rights Watch.

Kristin Ceva holds the Chartered Financial Analyst® designation. She earned a PhD from Stanford University in Political Science with an emphasis on international political economy. She was a Fulbright Scholar based in Mexico City. Ceva has completed extensive economic and political research on emerging markets and is fluent in Spanish. She received a BBA in Finance from Texas A&M University.



David P. Ballantine, CFA®, CFP

Principal

1991 – Joined Payden & Rygel

David Ballantine, CFA®, CFP, is a principal and senior fixed-income portfolio strategist at Payden & Rygel. He oversees the firm's trading operations and is a key member of the portfolio management team responsible for developing strategies for short- and intermediate-term fixed-income portfolios.

Prior to joining Payden & Rygel, Ballantine traded corporate, asset-backed and mortgage securities at The Capital Group and worked in the fixed-income department at Fidelity Investments.

David Ballantine is a member of the CFA® Institute, Investment Counsel Association of America, Inc. and the Financial Planning Association. He is also a member of the Leadership of Southern California and the L.A. Works Organization.

Ballantine holds the Chartered Financial Analyst® designation and is a certified financial planner. He earned a BS in Business Administration from the University of New Hampshire.



Nigel Jenkins, ASIP

Managing Principal-London

2006 – Joined Payden & Rygel

Nigel Jenkins is a managing principal at Payden & Rygel Global Ltd. He is a member of the firm's Investment Policy Committee and directs the Global Fixed Income strategy team, which manages all global, European and UK benchmarked fixed-income portfolios. He also oversees the Interest Rate and Currency strategy teams.

Prior to joining Payden & Rygel, Jenkins was a founding partner of Centric Capital LLP, a fixed income and currency hedge fund. Previously he was head of global fixed-income at WestLB, and a director of the fixed income & currency group at Rothschild Asset Management, both in London.

Nigel Jenkins holds the ASIP designation of the UK Society of Investment Professionals, a member society of the CFA Institute. He earned an MA degree in Economics from the University of Cambridge.



Natalie N. Trevithick, CFA®

Senior Vice President

2012 – Joined Payden & Rygel

Natalie Trevithick is a senior vice president and the lead strategist for investment-grade corporates at Payden & Rygel. Trevithick is responsible for managing corporate bond portfolios across a breadth of fixed-income strategies, including low duration, core and core plus, global, emerging markets and absolute return. Her experience also encompasses the use of derivatives such as interest rate and credit default swaps to manage risk and to develop customized investment solutions for corporate bond portfolios.

Prior to joining Payden & Rygel, Trevithick spent six years at PIMCO in a similar capacity as a senior vice president and portfolio manager. Prior to that, she worked at Barclays Capital as a sell-side trader in New York.

Natalie Trevithick holds the Chartered Financial Analyst® designation. She earned an MBA from the McCombs School of Business at the University of Texas, Austin. Trevithick earned a Bachelor of Commerce degree at Queen's University in Kingston, Ontario.

Biographies – Key Contributors



Arthur Hovsepian, CFA®

Principal

2004 – Joined Payden & Rygel

Arthur Hovsepian, CFA®, is a principal and emerging market debt strategist at Payden & Rygel. He heads up Asia sovereign research and is also the lead local market strategist with a focus on Asia and Africa.

Prior to joining Payden & Rygel, Hovsepian was a portfolio associate with Pacific Investment Management Company in the global fixed income group, where he was responsible for the currency risk management process for global portfolios.

Arthur Hovsepian holds the Chartered Financial Analyst® designation and is a member of the CFA® Institute and the CFA® Society of Los Angeles. He received an MBA from The UCLA Anderson School of Management and a BS in Economics and Statistics from University College London.



Jeffrey M. Schwartz, CFA®

Senior Vice President

2006 – Joined Payden & Rygel

Jeff Schwartz, CFA® is a senior vice president and senior strategist at Payden & Rygel. As a member of the firm's structured finance group, Schwartz looks for relative value opportunities in the global mortgage-backed and asset-backed markets.

Prior to joining Payden & Rygel, Schwartz was in corporate treasury for seven years as a senior portfolio manager with Pfizer Inc. in Ireland and with Intel Corp. in California. Previously, he spent five years as a supply chain consultant with Accenture.

Schwartz is a member of the CFA® Institute and the CFA® Society of Los Angeles.

Jeff Schwartz holds the Chartered Financial Analyst® designation. He earned an MBA in finance from UCLA Anderson and earned a BS summa cum laude in Engineering Science from Cal Poly in San Luis Obispo, California.



Gary Greenberg, CFA®

Senior Vice President

1995 – Joined Payden & Rygel

Gary Greenberg, CFA®, is a senior vice president and senior trader and strategist at Payden & Rygel. As a member of the firm's structured finance group, Greenberg analyzes and implements relative value opportunities in the futures and U.S. mortgage market. Prior to his current role at Payden & Rygel, he was an investment analyst with the firm's portfolio management group.

Previously, Greenberg worked as an investment planner in the trust services department of Banker's Trust.

He is a member of the CFA® Institute and the CFA® Society of Los Angeles.

Gary Greenberg holds the Chartered Financial Analyst® designation. He earned a BS in Finance from Arizona State University.



Sabur S. Moini

Principal

2000 – Joined Payden & Rygel

Sabur Moini is a principal at Payden & Rygel. He is a senior high yield portfolio manager. He selects and monitors opportunities in the high-yield bond market, making relative value and total return industry and sector decisions. Moini frequently publishes analysis and commentary related to the high-yield bond market.

Prior to joining Payden & Rygel, Sabur Moini was a vice president at SunAmerica Investments where he invested in high-yield bank loans for the firm's \$2.5 billion loan portfolio. Previously, he was an assistant vice president at Bank of America where he handled Fortune 1000 credit relationships for the bank's US corporate division.

Moini holds the FINRA series 7 and 63 licenses. He earned an MBA from the Anderson School at the University of California, Los Angeles with an emphasis in finance and received a BA from Williams College in economics.

Biographies – Key Contributors



Robin Udany

Vice President, Senior Derivatives Trader

2012 – Joined Payden & Rygel

Robin Udany is a vice president and senior trader at Payden & Rygel. She is responsible for developing and implementing investment strategies in fixed income and equity derivatives markets. Robin has more than 25 years of experience in derivatives and securities trading within the fixed income, equity, FX and commodity markets.

Prior to joining Payden & Rygel, Udany was a senior trader and strategist at a \$2.3 billion event-driven hedge fund. Before that she developed investment strategies at a \$1 billion global macro hedge fund. In 2001 she co-launched a global long/short equity product and trading desk for a start-up hedge fund. Robin has over 10 years of experience trading on the Chicago Board of Trade (CBOT) as well as bank trading floors.

Robin Udany earned a BS in Finance/Investments from the University of Illinois Champaign-Urbana. She is a member of the Westside Women of Finance organization.



Ksenia Koban

Vice President

2012 – Joined Payden & Rygel

Ksenia Koban is a vice president and municipal bond analyst at Payden & Rygel. She is responsible for research and assists in developing the firm's views and strategies in regard to the municipal bond market and portfolio structure.

Prior to joining Payden & Rygel, Koban was a senior associate at Depfa Bank, Plc., in New York where she focused on municipal credit risk in the bank's \$11 billion US municipal assets portfolio.

Ksenia Koban earned an MPA with a specialization in Public Finance from New York University. She received a BA in International Relations with an emphasis in Economics and Political Science from University of California, San Diego. Koban is a member of the National Federation of Municipal Analysts and the California Society of Municipal Analysts.



Michael M. Kagawa

Vice President

1998 – Joined Payden & Rygel

Mike Kagawa is a vice president and portfolio strategist at Payden & Rygel who specializes in structured finance including mortgage-backed, commercial mortgage-backed and asset-backed securities. His responsibilities include monitoring credit and structural considerations in the asset-backed market as well as making relative value and total return recommendations within these sectors.

Prior to joining Payden & Rygel, Michael Kagawa was a vice president and senior fixed-income portfolio manager at Bank of America Investment Management. His responsibilities included intermediate and core bond account management, mutual funds and various commingled portfolios. Previously, he was a computer programmer and quantitative analyst at Security Pacific Investment Managers.

Kagawa earned an MBA from The Anderson School at the University of California, Los Angeles. He received a BS in Mathematics/Economics with a minor in Computer Science also from the University of California, Los Angeles.