Payden&Rygel

EXCLUSION

ESG Investment Exclusion Policy

December 2023

Background

Payden & Rygel and affiliated companies ("**Payden**") has been appointed as investment manager/adviser to various EU domiciled collective investment schemes. Payden manages many of these investments so that they can be designated as Article 8 financial products pursuant to the Sustainable Finance Disclosure Regulation (EU 2019/2088) ("**SFDR**"). Payden has further been appointed by certain clients under separately managed accounts to manage assets in accordance with SFDR Article 8. This ESG Investment Exclusion Policy (the "**ESG Investment Exclusion Policy**") applies on a best efforts basis to the management of such assets, and can also be applied, upon request, for Payden clients wishing to voluntarily to adopt and implement these ESG exclusions into their investment guidelines.

In order to meet SFDR requirements, this ESG Investment Exclusion Policy sets out the way in which Payden applies exclusions in respect of certain investments on the basis of Environmental, Social, and Governance ("**ESG**") factors. Payden applies exclusions in the conduct of its investment management activity whereby investment in the securities of issuers with activities which are associated with certain ESG factors as set out below is restricted or wholly excluded on a binding basis. The restrictions and exclusions are for activities that could be deemed harmful to society or the environment. This includes both business-related and conduct-based exclusions.

Categories of Excluded Activity

Payden may elect to rely on a combination of third-party data and internal analysis to implement this ESG Investment Exclusion Policy. Payden's exclusion list originates with third party externally validated data published and updated from time to time. To the extent that the third-party providers update the data, further information together with the current exclusion list and updates will be published by Payden at www.payden.com\SFDRPolicies.

Prior to and during the continuation of investment in any security falling within the scope of this ESG Investment Exclusion Policy, Payden will apply the relevant conduct-based screens based on environmental or social factors exclusions and restrictions listed below:

Theme	Description
Environmental Screens	
Oil & Gas	▪ Companies that derive >5% of reported or estimated revenue from arctic oil and/or gas production. ▪ Companies that derive >5% of reported or estimated revenue from unconventional oil and gas; examples include oil shale, shale gas, shale oil, coal seam gas, and coal bed methane. ▪ Companies that derive >5% of reported or estimated revenue from oil sands extraction for a set of companies that own oil sands reserves and disclose evidence of deriving revenue from oil sands extraction. ▪ Companies with disclosed oil sands reserves who derive >5% of reported or estimated revenue from oil sands extraction.
Thermal Coal	▪ Companies that generate >1% of reported or estimated revenue from the mining of thermal coal. ▪ For Developed Markets, companies that generate >10% of reported or estimated revenue from thermal coal-based power generation. ▪ For Emerging Markets, companies that generate >25% of reported or estimated revenue from thermal coal-based power generation.
Social Screens	
Controversial Weapons	▪ Companies that manufacture nuclear warheads and/or whole nuclear missiles. ▪ Companies that have ties to cluster munitions, landmines, biological/chemical weapons, depleted uranium weapons, blinding laser weapons, incendiary weapons, and/or non-detectable fragments.
For Profit Prisons	▪ Companies that have derived revenue from activities directly related to for-profit prisons.
Civilian Firearms	▪ Companies that generate more than 5% of revenue from the manufacture and retail of civilian firearms and ammunition.
Tobacco	▪ Companies that manufacture tobacco products, such as cigars, blunts, cigarettes, e-cigarettes, inhalers, beedis, kreteks, smokeless tobacco, snuff, snus, dissolvable and chewing tobacco, and companies that grow or process raw tobacco leaves. ▪ Companies where the recent-year percent of revenue is >5% derived from tobacco-related business activities.
EU Sanctions	▪ Issuers that are the subject of European External Action Service (EEAS) trade sanctions.
UN Sanctions	▪ Issuers that are the subject of United Nations Security Council (UNSC) trade sanctions.

Payden Use of Third Party Data

The ESG Investment Exclusion Policy takes a quantitative and data driven approach and is used globally across relevant products. Payden places reliance on third party data for this analysis and periodically evaluates the data and service providers through due diligence. For a list of data providers that Payden uses to evaluate exclusions, please find more information at www.payden.com/SFDRPolicies/ESG_Data.pdf

Investments Within Scope of the Policy

This ESG Investment Exclusion Policy is applied to holdings of corporate and sovereign securities for which externally validated third party data is available at the time of investment. The ESG Investment Exclusion Policy does not apply to derivatives unless the derivative is used to gain long exposure to a single issuer. The exclusions will not be applied to short positions or to positions in index funds or other instruments used to gain exposure to multiple underlying issuers. The ESG Investment Exclusion Policy does not apply to other instruments, such as securitized debt due to a lack of externally validated reliable data, nor to currencies, cash, cash equivalents, and money market funds which are held for cash management/liquidity purposes. Accordingly, such instruments will not be assessed for compliance with this ESG Investment Exclusion Policy. This ESG Investment Exclusion Policy will be applied on a best-efforts basis at the time of purchase based on the information available to Payden. The compliance system can be coded to permit purchases only of securities to which specific exclusions under the ESG Investment Exclusion Policy do not apply. If a security falls within a specific exclusion in the ESG Investment Exclusion Policy after purchase, it is considered a passive compliance breach. Unless client guidelines and/or prospectus provide specific instructions, Payden will review the status and within an appropriate timeframe in the interest of the specific account will adjust portfolios to reflect the new exclusion criteria. Therefore, portfolios may continue to hold a security but will be constrained in making additional purchases.

In addition, bonds classified as green bonds, climate bonds, social bonds or sustainably-linked bonds from issuers that would otherwise typically be ineligible for inclusion, in some cases may be included in the accounts managed in accordance with this ESG Investment Exclusion Policy, where appropriate.

Policy Governance, Review, Systems and Controls

The ESG Committee is responsible for oversight of the implementation of this Policy working in conjunction with Payden's investment research and strategy teams. The ESG-CMPL Sub-Committee of the Compliance Group is responsible for the monitoring and testing of this Policy. The ESG-CMPL Sub-Committee of the Compliance Group reviews and updates the Policy at least annually and periodically, as appropriate, upon the advice of the ESG Committee and Compliance Group.

For Further Information

Visit: www.payden.com
For our full list of SFDR ESG policies visit: www.payden.com/SFDRPolicies.