

**Company registration number 03752819 (England and Wales)**

**PAYDEN & RYGEL GLOBAL LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

**PAYDEN & RYGEL GLOBAL LIMITED**

**COMPANY INFORMATION**

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<b>Directors</b>	R B B Creswell J Payden M B Syal N P Jenkins M H Stanley
<b>Secretary</b>	D C Wilkinson
<b>Company number</b>	03752819
<b>Registered office</b>	1 Bartholomew Lane London EC2N 2AX
<b>Auditor</b>	Ernst & Young LLP 25 Churchill Place London E14 5EY
<b>Bankers</b>	Royal Bank of Scotland plc 62-63 Threadneedle Street London EC2V 7AG  Lloyds Bank 10 Gresham Street London EC2V 7AE
<b>Solicitors</b>	Sidley Austin LLP 70 St Mary Axe London EC3A 8BE

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# PAYDEN & RYGEL GLOBAL LIMITED

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**PAYDEN & RYGEL GLOBAL LIMITED**

**STRATEGIC REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2023**

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**Directors' strategic report**

The directors present their strategic report and the financial statements for the year ended 31 December 2023.

**Principal activity and review of the business**

Payden & Rygel Global Limited (the 'Company') undertakes investment management services and trading activities on behalf of its parent Payden & Rygel (the 'Parent'), and for certain separately managed accounts clients contracted with the Company including Irish UCITS umbrella Payden Global Funds plc. Where a separately managed account is contracted with the Company, some aspects of investment management services may be delegated to the Parent. The Company also provides distribution and client relationship management services. The Company is regulated by the Financial Conduct Authority ('FCA'). The Company is required by its regulator to make its risk disclosure policy available in accordance with MIDFIDPRU 8 of the Capital Requirements Directive. The MIDFIDPRU 8 Risk Disclosure Statement has been made on page 25 to 34 and does not form part of the audited financial statements.

**Principal risks and uncertainties**

The Company's income represents fees for distribution and client relationship management services, investment management and sub-advisor services on behalf of the Parent. The Company's principal risks and uncertainties are therefore closely linked to those of the Parent and the performance of the funds managed by the Parent (see MIDFIDPRU 8 Risk Disclosure Statement). The business is also subject to risks associated with the tax and regulatory regimes within which it operates and with attracting and retaining the services of key executives. The Company seeks to maintain a client base both within and outside the UK in a landscape of increased regulatory divergence, including for example on environmental, social and governance factors, and regulatory reporting requirements.

The Company has adequate financial resources and remains able to manage its business at the current level of assets without the need for further capital raising.

The directors have reviewed the going concern status of the Company and in particular focused on market conditions and macro-economic and geopolitical events both during the financial year and since 31 December 2023 and have concluded that there are no material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern. Thus they continue to adopt a going concern basis of accounting in the financial statements.

**Key performance indicators**

The Company's overheads are reimbursed by its Parent and the Company invoices the Parent for all of its overheads plus an additional margin amount. The parent undertaking is committed to support the Company and has historically acted in line with that commitment.

Approved by the Board on and signed on its behalf by:



R B B Creswell  
**Director**

Date: .....17-04-2024.....

## **PAYDEN & RYGEL GLOBAL LIMITED**

### **DIRECTORS' REPORT**

***FOR THE YEAR ENDED 31 DECEMBER 2023***

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The directors present their annual report and financial statements for the year ended 31 December 2023.

#### **Results and dividends**

The profit for the year after taxation amounted to £579,107 (2022 - profit of £576,223).

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

#### **Going concern**

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic report. The financial position of the Company and its liquidity position are reflected on the balance sheet. The Company has considerable financial resources and the directors believe the Company is well placed to manage its business risks successfully. The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the period to 30 June 2025. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

#### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

R B B Creswell

J Payden

M B Syal

N P Jenkins

M H Stanley

D C Wilkinson

(Resigned 14 March 2023)

#### **Future developments**

The Company is expected to continue trading profitably and take advantage of business opportunities as they arise.

#### **Auditor**

A resolution to reappoint Ernst & Young LLP as auditors will be put to the sole member by way of written resolution.

#### **Disclosure of information to the auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the Company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the Company's auditor is aware of that information.

#### **Unaudited Information**

Unaudited information is on pages 23 to 34.

#### **Political donations**

The Company made no political donations during 2023.

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**PAYDEN & RYSEL GLOBAL LIMITED**

**DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2023**

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**Directors' Responsibilities Statement**

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("United Kingdom Generally Accepted Accounting Practice") and applicable law. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the board



R B B Creswell

**Director**

Date: ..... 17-04-2024

## **PAYDEN & RYSEL GLOBAL LIMITED**

### **INDEPENDENT AUDITOR'S REPORT**

#### **TO THE MEMBERS OF PAYDEN & RYSEL GLOBAL LIMITED**

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#### **Opinion**

We have audited the financial statements of Payden & Rygel Global Limited (the Company) for the year ended 31 December 2023 which comprise the Income Statement, the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes 1 to 18, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the period to 30 June 2025.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

**PAYDEN & RYSEL GLOBAL LIMITED**

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

**TO THE MEMBERS OF PAYDEN & RYSEL GLOBAL LIMITED**

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**Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.



**PAYDEN & RYGEL GLOBAL LIMITED**

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

**TO THE MEMBERS OF PAYDEN & RYGEL GLOBAL LIMITED**

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**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

**Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are those that relate to the reporting framework (United Kingdom Generally Accepted Accounting Practice and the Companies Act 2006) and relevant tax compliance regulations in the United Kingdom.
- We understood how Payden & Rygel Global Limited is complying with those frameworks by making enquiries of management to understand how the Company maintains and communicates its policies and procedures relating to these areas and corroborated this by reviewing supporting documentation. We assessed the culture and entity level control framework of the Company to consider if appropriate measures are in place around fraud prevention.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by meeting with those charged with governance and management to understand where they considered there was susceptibility to fraud. We identified a fraud risk in relation to revenue and expenses due to the cost-plus arrangement in place with the Company's parent in addition to the presumed risk of management override. In response to this risk we: understood the movement of revenue as driven by expenses; evaluated the design effectiveness of management's controls in place to prevent errors in the calculation of revenue in line with the Services Agreement between the Company and parent; and performed journal entry testing by specific risk criteria, with a focus on journals indicating large or unusual transactions based on our understanding of the business.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved inquiries of management and those charged with governance, review of legal and professional expenses and review of board meeting minutes.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**PAYDEN & RYGEL GLOBAL LIMITED**

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

**TO THE MEMBERS OF PAYDEN & RYGEL GLOBAL LIMITED**

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**Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

Ernst & Young LLP

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Jennifer Rogan (Senior statutory auditor)

For and on behalf of Ernst & Young LLP, Statutory Auditor

London

Date: 18 April 2024

**PAYDEN & RYGEL GLOBAL LIMITED**

**INCOME STATEMENT**

**FOR THE YEAR ENDED 31 DECEMBER 2023**

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		<b>2023</b>	<b>2022</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
<b>Turnover</b>	<b>3</b>	16,470,438	16,756,908
Administrative expenses		(15,721,704)	(16,070,122)
		<hr/>	<hr/>
<b>Operating profit</b>	<b>5</b>	748,734	686,786
Interest receivable and similar income	<b>7</b>	29,176	10,831
Interest payable and similar expenses	<b>8</b>	(3,987)	(1,045)
Losses on foreign exchange		(11,567)	(198)
		<hr/>	<hr/>
<b>Profit before taxation</b>		762,356	696,374
Tax on profit	<b>9</b>	(183,249)	(120,151)
		<hr/>	<hr/>
<b>Profit for the financial year</b>		<u>579,107</u>	<u>576,223</u>

The income statement has been prepared on the basis that all operations are continuing operations.

**PAYDEN & RYSEL GLOBAL LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME**

***FOR THE YEAR ENDED 31 DECEMBER 2023***

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	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Profit for the year after taxation</b>	579,107	576,223
<b>Other comprehensive income</b>	-	-
<b>Total comprehensive income for the year</b>	<u>579,107</u>	<u>576,223</u>

**PAYDEN & RYSEL GLOBAL LIMITED**  
**STATEMENT OF FINANCIAL POSITION**

*AS AT 31 DECEMBER 2023*

	Notes	2023		2022	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	10		122,426		194,386
<b>Current assets</b>					
Deferred tax asset	15	19,845		-	
Debtors	11	6,548,646		6,621,635	
Cash at bank and in hand		4,412,185		3,838,595	
		10,980,676		10,460,230	
<b>Creditors: amounts falling due within one year</b>	12	(4,626,071)		(4,749,049)	
<b>Net current assets</b>			6,354,605		5,711,181
<b>Total assets less current liabilities</b>			6,477,031		5,905,567
<b>Provisions for liabilities</b>					
Deferred tax liability	15	-		7,643	
					(7,643)
<b>Net assets</b>			6,477,031		5,897,924
<b>Capital and reserves</b>					
Called up share capital	13		465,000		465,000
Profit and loss reserves			6,012,031		5,432,924
<b>Total equity</b>			6,477,031		5,897,924

The notes on pages 13 to 22 form part of the financial statements.

The financial statements were approved by the board of directors and authorised for issue on 17-04-2024, and are signed on its behalf by:



R B B Creswell  
**Director**

**Company Registration No. 03752819**

**PAYDEN & RYGEL GLOBAL LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

	<b>Share capital £</b>	<b>Profit and loss reserve £</b>	<b>Total £</b>
<b>Balance at 1 January 2022</b>	465,000	4,856,701	5,321,701
<b>Year ended 31 December 2022:</b>			
Profit and total comprehensive income for the year	-	576,223	576,223
<b>Balance at 31 December 2022</b>	465,000	5,432,924	5,897,924
<b>Year ended 31 December 2023:</b>			
Profit and total comprehensive income for the year	-	579,107	579,107
<b>Balance at 31 December 2023</b>	465,000	6,012,031	6,477,031

**PAYDEN & RYGEL GLOBAL LIMITED****STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED 31 DECEMBER 2023**

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	<b>2023</b>		<b>2022</b>	
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Net cash inflow from operating activities</b>				
Operating profit		748,734		686,786
<b>Adjustment to operating profit</b>				
Depreciation		116,549		169,030
Decrease/(increase) in debtors		72,989		(1,707,472)
(Decrease)/increase in creditors		(122,978)		4,026,526
Movement in deferred tax asset/liability		(27,488)		(40,796)
Interest paid		(3,987)		(1,045)
Taxation charged		(183,249)		(120,151)
<b>Net cash inflow from operating activities</b>		<b>600,570</b>		<b>3,012,878</b>
<b>Investing activities</b>				
Capital expenditure	(44,589)		(56,838)	
Interest received	29,176		10,831	
<b>Net cash outflow from investing activities</b>		<b>(15,413)</b>		<b>(46,007)</b>
<b>Increase in cash</b>		<b>585,157</b>		<b>2,966,871</b>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS</b>				
		<b>£</b>		<b>£</b>
<b>Increase/(Decrease) in cash</b>				
Change in net cash resulting from cash flows		585,157		2,966,871
Effect of foreign exchange rates		(11,567)		(198)
<b>Movement in net Cash in the year</b>		<b>573,590</b>		<b>2,966,673</b>
Net cash at 1 January		3,838,595		871,922
Net cash at 31 December		<u>4,412,185</u>		<u>3,838,595</u>

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## **PAYDEN & RYGEL GLOBAL LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

***FOR THE YEAR ENDED 31 DECEMBER 2023***

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#### **1 Accounting policies**

##### **Company information**

Payden & Rygel Global Limited is a private company limited by shares incorporated in England and Wales. The registered office is 1 Bartholomew Lane, London, EC2N 2AX.

##### **1.1 Basis of preparation**

The Company's financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in pounds sterling, which is the functional and presentational currency of the Company. Monetary amounts in these financial statements are rounded to the nearest pound.

##### **1.2 Going concern**

The financial statements are prepared on a going concern basis under the historical cost convention modified to include the measurement at fair value of financial assets through profit and loss.

The Company has adopted the FRC code which provides guidance for preparing the analysis of the Company as a going concern and has prepared its analysis by reference to appendix III of the code. After considering the factors for assessing the Company as a going concern we can conclude that there are no material factors or uncertainties that would give rise to doubt about the Company's ability to continue as a going concern for the period to 30th June 2025.

##### **Company's business activities**

The Company continues to have a prestigious institutional client base for which it performs regulated distribution and client relationship management services together with investment management related services for Payden & Rygel, (the "Parent") and Payden Global Funds plc. Substantially all revenues derived from these business activities flow to the Parent company and the Parent company recompenses the Company as its subsidiary on the cost-plus basis under the Services Agreement between the Company and Parent dated 13 August 1999 ("Services Agreement").



**PAYDEN & RYGEL GLOBAL LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2023**

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**1 Accounting policies**

**(Continued)**

**Going concern analysis**

The Company's going concern analysis is therefore conducted in light of the Services Agreement and the relationship with its Parent and the following factors were given special consideration;

- The Company contributes to, and is recompensed through, revenues accruing to the Parent. It does not rely on outside capital.
- The Company is authorised and regulated by the Financial Conduct Authority ('FCA') and is authorised to provide full investment management services to professional customers only. During 2023 under FCA regulations the Company was required to provide ICARA and MIDFIDPRU 8 reports confirming its financial strength and stability on a forward-looking basis. Those reports are prepared in accordance with the FCA requirements. The reports have been made available to the Company's auditors.
- During 2023, the Company made regular assessment of its regulatory capital requirements under Investment Funds Prudential Regime ('IFPR') which came into force on 1 January 2022. The Company's tier 1 capital as at 31 December 2022 stood at £5,897,924 more than two times exceeding the Fixed Overhead Requirement under IFPR. As at 31 December 2023, the Company's tier 1 capital stood at £6,477,031.
- A letter addressed to the Company from the Parent has been provided that states the Parent's intention is for the Services Agreement between the Parent and the Company to operate through June 2025 and that any payments due to the Company by the Parent pursuant to that agreement shall be paid as provided for.
- The Parent will have adequate funds to meet its obligations under the Services Agreement. The assets under management of the Parent as at 31 December 2022 stood at \$133 billion and at 31 December 2023 had increased to \$151 billion. There have been no significant changes to the business of the Parent and none are foreseen.
- Expenses have been budgeted through to 30 June 2025 for the Company. There have been no significant changes from the previous year that could lead to a change in the conclusion above.
- There are no contingent liabilities (including legal proceedings) that would change the conclusion above.
- The Company has suffered no noticeable long-term detriment to its business as a result of the conflicts in Ukraine and the Middle-East and other geopolitical and macro-economic events occurring during the year and associated financial markets repercussions.

**1.3 Tangible fixed assets**

All fixed assets are initially recorded at cost.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Fixtures and fittings	Over 5 Years
Computer equipment	Over 5 Years

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

**1.4 Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

**PAYDEN & RYSEL GLOBAL LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2023**

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**1 Accounting policies**

**(Continued)**

***Current tax***

Current tax is based on taxable profit for the year. Taxable profit will differ from the profit on ordinary activities before tax as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

***Deferred tax***

Deferred taxation is recognised in respect of all timing differences which are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements, except that unrelieved tax losses and other deferred tax assets are recognised only to the extent that the directors consider that it probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

**1.5 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

**1.6 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

**1.7 Foreign exchange**

Foreign currency balances outstanding at the balance sheet date are translated at the rate ruling at that date. All trading transactions are translated into sterling at the exchange rate ruling at the time of transactions. Foreign currency profits and losses arising are included within the Company's income statement.

**1.8 Short-term debtors and creditors**

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in other operating expenses.

**1.9 Operating leases**

Operating lease rentals are charged to profit and loss on a straight-line basis over the lease term.

**PAYDEN & RYGEL GLOBAL LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2023**

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**2 Judgements and key sources of estimation uncertainty**

In the application of the Company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The directors confirm there are no material accounting judgements.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

**3 Turnover**

Turnover represents amounts derived from the provision of services to the parent undertaking calculated in accordance with the Company's cost-plus agreement. These services constitute the provision of investment advisory services.

**4 Employees**

The average monthly number of persons (including directors) employed by the Company during the year was:

	<b>2023</b>	<b>2022</b>
	<b>Number</b>	<b>Number</b>
Average number of employees	35	33

Their aggregate remuneration comprised:

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Wages and salaries	11,459,102	11,661,979
Social security costs	1,537,050	1,597,048
Pension costs	185,678	201,785
	<u>13,181,830</u>	<u>13,460,812</u>

**PAYDEN & RYSEL GLOBAL LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2023**

**5 Operating profit**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
The operating profit amounting to £748,734 (2022; £686,786) is stated after		
Auditors' remuneration - audit of the financial statements	44,500	44,500
Auditors' remuneration - other assurance services	6,000	6,000
Depreciation of owned tangible fixed assets	116,549	169,030
Directors' remuneration	4,388,130	5,603,671
Operating lease rentals - land and buildings	461,388	441,110
	<u>                    </u>	<u>                    </u>

**6 Directors' remuneration**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Remuneration for qualifying services	4,371,099	5,582,018
Company pension contributions to defined contribution schemes	-	4,000
Sums paid to third parties for directors' services	17,031	17,653
	<u>                    </u>	<u>                    </u>
	<u>4,388,130</u>	<u>5,603,671</u>

Remuneration disclosed above include the following amounts paid to the highest paid director:

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Remuneration for qualifying services	2,164,731	2,783,494
	<u>                    </u>	<u>                    </u>

**7 Interest receivable and similar income**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Interest income</b>		
Interest on bank deposits	29,176	10,831
	<u>                    </u>	<u>                    </u>

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Investment income includes the following:		
Interest on financial assets not measured at fair value through profit or loss	29,176	10,831
	<u>                    </u>	<u>                    </u>

**PAYDEN & RYGEL GLOBAL LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2023**

**8 Interest payable and similar expenses**

**2023**  
**£**

**2022**  
**£**

**Interest on financial liabilities measured at amortised cost:**

Interest on bank overdrafts and loans

3,987

1,045

**9 Taxation**

**2023**  
**£**

**2022**  
**£**

**Current tax**

UK corporation tax on profits for the current period

210,737

160,947

**Deferred tax**

Origination and reversal of timing differences

(23,567)

(25,303)

Changes in tax rates

(3,921)

(15,493)

Total deferred tax

(27,488)

(40,796)

Total tax charge

183,249

120,151

In the Spring Budget 2021, the government announced that from 1 April 2023 the headline corporation tax rate will increase to 25%. The proposal to increase the rate to 25% has been substantively enacted at the company's balance sheet date, therefore its effects have been included in these financial statements.

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

**2023**  
**£**

**2022**  
**£**

Profit before taxation

762,356

696,374

Expected tax charge based on the standard rate of corporation tax in the UK of 23.52% (2022: 19.00%)

179,306

132,311

Tax effect of expenses that are not deductible in determining taxable profit

7,683

6,573

Effect of change in corporation tax rate

(3,304)

(15,493)

Permanent capital allowances in excess of depreciation

(436)

(3,240)

Taxation charge for the year

183,249

120,151

**PAYDEN & RYSEL GLOBAL LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2023**

**10 Tangible fixed assets**

	<b>Fixtures and fittings</b>	<b>Computer equipment</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>			
At 1 January 2023	1,263,013	305,215	1,568,228
Additions	14,718	29,871	44,589
	<u>1,277,731</u>	<u>335,086</u>	<u>1,612,817</u>
At 31 December 2023	1,277,731	335,086	1,612,817
<b>Depreciation and impairment</b>			
At 1 January 2023	1,122,777	251,065	1,373,842
Depreciation charged in the year	81,533	35,016	116,549
	<u>1,204,310</u>	<u>286,081</u>	<u>1,490,391</u>
At 31 December 2023	1,204,310	286,081	1,490,391
<b>Carrying amount</b>			
At 31 December 2023	<u>73,421</u>	<u>49,005</u>	<u>122,426</u>
At 31 December 2022	<u>140,236</u>	<u>54,150</u>	<u>194,386</u>

**11 Debtors**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year:</b>		
Trade debtors	300,062	161,646
Amounts due from the parent entity (note 18)	5,449,748	5,741,302
Other debtors	83,900	66,250
Prepayments	714,936	652,437
	<u>6,548,646</u>	<u>6,621,635</u>
<b>Amounts falling due after more than one year:</b>		
Deferred tax asset (note 15)	<u>19,845</u>	<u>-</u>
<b>Total debtors</b>	<u>6,568,491</u>	<u>6,621,635</u>

**PAYDEN & RYSEL GLOBAL LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2023**

**12 Creditors: amounts falling due within one year**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Trade creditors	172,354	39,755
Corporation tax	210,737	160,947
Other taxation and social security	168,293	124,763
Wages payable	3,568,811	3,910,746
Accruals and deferred income	505,876	512,838
	<u>4,626,071</u>	<u>4,749,049</u>

**13 Share capital**

	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>Number</b>	<b>Number</b>	<b>£</b>	<b>£</b>
<b>Ordinary share capital Issued and fully paid</b>				
Ordinary shares of £1 each	<u>465,000</u>	<u>465,000</u>	<u>465,000</u>	<u>465,000</u>

**14 Other financial commitments**

The Company signed a 10 year lease for 1 Bartholomew Lane, London in August 2012, and a further extension of 5 years in 2020. Under the terms of the lease the Company is also committed to paying service charges for the maintenance of office premises.

At 31 December 2023 the Company had annual commitments under non-cancellable operating leases as set out below:

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Within one year	524,625	327,890
Between two and five years	1,573,875	2,098,500
	<u>2,098,500</u>	<u>2,426,390</u>

**PAYDEN & RYGEL GLOBAL LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2023**

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**15 Deferred taxation**

The following are the major deferred tax liabilities and assets recognised by the Company and movements thereon:

	<b>(Assets)/ Liabilities</b>	<b>Liabilities</b>
	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Balances:</b>		
Accelerated capital allowances	28,806	46,399
Retirement benefit obligations	(48,651)	(38,756)
	<u>(19,845)</u>	<u>7,643</u>
		<b>2023</b>
<b>Movements in the year:</b>		<b>£</b>
Liability at 1 January 2023		7,643
Credit to profit or loss		(27,488)
		<u>(19,845)</u>

The amount of the net reversal of the deferred tax expected to occur next year is £39,690 (2022: £9,305).

**16 Retirement benefit schemes**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	185,678	201,785
	<u>185,678</u>	<u>201,785</u>

The Company contributes to a defined contribution pension scheme for all qualifying employees. These schemes are independent from the Company.

**17 Events after the reporting date**

As at the approval date of the financial statements by the board, there are no events after the reporting date to disclose.



**PAYDEN & RYGEL GLOBAL LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2023***

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**18 Related party transactions**

During the year, the Company invoiced its parent undertaking £16,470,438 (2022: £16,756,908) for the provision of services. At the financial year end a balance of £5,449,748 (2022: £5,741,302) was included in debtors as being due from the parent undertaking.

The total fees in respect to the agreements with third parties which are delegated and transferred to the Company's parent for the year ended 31 December 2023 amounted to £12,761,992 (2022: £14,663,852).

**Ultimate parent undertaking and controlling party**

The Company's immediate and ultimate parent undertaking and controlling party is Payden & Rygel, a company incorporated in the United States of America located at 333 South Grand Avenue, Floor 39, Los Angeles. CA 90071.

**PAYDEN & RYGEL GLOBAL LIMITED**

**UNAUDITED INFORMATION - DETAILED INCOME STATEMENT**

**FOR THE YEAR ENDED 31 DECEMBER 2023**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Turnover</b>		
Turnover	16,470,438	16,756,908
<b>Administrative expenses</b>		
Wages and salaries	7,070,972	6,064,285
Social security costs	933,334	1,088,634
Staff recruitment costs	65,330	104,279
Staff welfare	9,590	1,010
Staff training	31,575	15,132
Staff pension costs defined contribution	185,678	197,785
Directors' remuneration	4,371,099	5,580,041
Directors' social security costs	603,716	508,414
Benefits in kind	17,031	17,653
Directors' pension costs	-	4,000
Rent re licences and other	408,046	424,175
Rates	192,636	143,011
Cleaning	26,796	24,689
Power, light and heat	40,075	9,968
Property repairs and maintenance	8,804	32,274
Premises insurance	13,267	6,967
Computer running costs	36,671	27,761
Travelling expenses	254,496	285,843
Accommodation and subsistence	65,692	80,449
Legal and professional fees	81,568	119,373
Consultancy fees	85,953	73,580
Accountancy	64,608	51,241
Auditors' remuneration - other assurance services	6,000	6,000
Audit fees	44,500	44,500
Charitable donations	43,450	20,634
Fine and penalties	209	197
Bad and doubtful debts	-	1,200
Insurances (not premises)	61,425	36,103
Printing and stationery	17,603	23,352
Advertising	1,663	1,430
Conferences and exhibitions	35,859	75,323
Telecommunications	43,465	46,969
Other office supplies	8,666	18,967
Staff entertaining	50,856	25,730
Client entertaining	27,529	34,412
Sundry expenses	9,184	8,749
FCA Compliance	71,042	63,449
Payroll processing	9,166	3,442
Bloomberg	417,845	401,657
Subscriptions	143,057	161,988
Fees in relation to funds	46,699	66,426
Depreciation	116,549	169,030

**PAYDEN & RYSEL GLOBAL LIMITED**

**UNAUDITED INFORMATION - DETAILED INCOME STATEMENT (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2023**

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		<b>2023</b>		<b>2022</b>
		<b>£</b>		<b>£</b>
		(15,721,704)		(16,070,122)
<b>Operating profit</b>		748,734		686,786
<b>Interest receivable and similar income</b>				
Bank interest received	29,176		10,831	
		29,176		10,831
<b>Interest payable and similar expenses</b>				
Interest expense and similar charges		(3,987)		(1,045)
<b>Other gains and losses</b>				
Losses on foreign exchange		(11,567)		(198)
<b>Profit before taxation</b>	4.63%	762,356	4.16%	696,374

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Payden & Rygel Global Limited

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**MIFIDPRU 8 DISCLOSURE**

**17 April 2024**

## 1. INTRODUCTION

Payden & Rygel Global Limited (the “Firm”) is authorised and regulated by the Financial Conduct Authority (the “FCA”). The Firm is a UK domiciled discretionary investment manager providing investment management services to professional segregated account clients and to Payden Global Funds plc (an Undertaking for Collective Investment in Transferrable Securities domiciled in Ireland) as well as to its parent entity, Payden & Rygel. The Firm also provides distribution and client relationship management services in respect of the activities of companies belonging to the Payden & Rygel group.

The Firm is categorised as a “Non-SNI MIFIDPRU investment firm” by the FCA for capital purposes. The Firm reports on a solo basis. The Firm’s MIFIDPRU 8 disclosure fulfils the Firm’s obligation to disclose to market participants’ key information on a firm’s:

- Risk management objectives and policies
- Governance arrangements
- Own funds
- Own funds requirement
- Remuneration policies and practices
- UK Stewardship Code signatory status

In making the qualitative elements of this disclosure, the Firm is required to provide a level of detail that is appropriate to the Firm’s size and internal organisation, and to the nature, scope and complexity of its activities.

This disclosure is made annually on the date the Firm publishes its annual financial statements. As appropriate, this disclosure is made more frequently, for example if there is a major change to the Firm’s business model.

There have been no significant changes in substance since the previous disclosure published in financial statements for year ended 31 December 2022 in accordance with requirements previously applicable under Chapter I of the FCA’s Prudential Sourcebook for Banks, Building Societies and investment Firms.

## 2. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Firm is subject to the ICARA (Internal Capital Adequacy and Risk Assessment) process requirements. The purpose of the ICARA process is to ensure that the Firm:

- Has appropriate systems and controls in place to identify, monitor and, where proportionate, reduce all potential material harms; and
- Holds financial resources that are adequate for the business it undertakes.

As part of the ICARA process, the Firm sets out its risk management processes including an analysis of the effectiveness of its risk management processes.

The Firm has established risk management arrangements that seek to:

- Meet regulatory requirements as detailed in the FCA Handbook, including the requirement to have effective processes to identify, manage, monitor and report the risks it is or might be exposed to;
- Reflect industry best practices; and
- Are appropriate and effective, taking into account the Firm’s size, nature, characteristics, risk profile and risk appetite.

The Firm’s Senior Management Team comprising three executive directors and the General Counsel/Compliance Officer has adopted an Outsourcing Supervision Risk Management Policy and constituted an Outsourcing Supervision Risk Management Group which is responsible for analysing all risks to which the Firm may be exposed and working to ensure such risks are mitigated as far as possible.

The General Counsel/Compliance Officer convenes a meeting of the Outsourcing Supervision and Risk Management Group on a quarterly basis to review all identified risks and analyse the Firm’s approach to monitoring, mitigating and managing them. The Firm maintains a risk register that sets out all identified potential and actual risks, and

mitigants in place. In addition to the formal quarterly meetings of the Outsourcing Supervision and Risk Management Group, the Firm's Senior Management Team meets generally on a weekly basis to discuss and review risks to which the Firm is exposed. This ICARA process forms one of the methods through which the Senior Management Team manages the risks within the business, in particular the deployment of risk mitigation techniques to address potential and actual material harms.

### **3. GOVERNANCE ARRANGEMENTS**

#### **3.1 OVERVIEW**

The Firm's management body comprises six individuals: three executive directors based in the UK, two executive directors based in the United States and the General Counsel/Compliance Officer. The two US-based executive directors are Joan Payden, founder of Payden & Rygel and CEO of the Firm's parent entity, and Mary Beth Syal, a Managing Director of Payden & Rygel. Both US-based executive directors are also directors of Payden Global Funds plc, an Irish domiciled UCITS umbrella for which the Firm provides investment management services. The London-based executive directors are Robin Creswell and Nigel Jenkins, both Managing Directors of Payden & Rygel, and Mark Stanley, a Director of Payden & Rygel. Claire Wilkinson, the General Counsel and Chief Compliance Officer performs the SMF 16 (Compliance Oversight) and SMF 17 (Money Laundering Reporting Officer) functions and attends as a member of the management body but is not a serving director and does not form part of the quorum of all meetings of the Board of Directors.

Robin Creswell performs Prescribed Responsibilities for the Firm's performance under the Senior Managers Regime and under the employee certification regime and has additional responsibilities for information technology/cyber security and for business continuity planning.

Claire Wilkinson performs Prescribed Responsibilities in relation to individual conduct rules for training and reporting, as well as taking overall responsibility for the Firm's policies and procedures for countering the risk that the Firm might be used to further financial crime and taking responsibility for the Firm's compliance with CASS and risk management.

Nigel Jenkins has responsibility for the compliance and legal framework within which the investment management activities of the Firm are performed and the reinforcement of FCA principles in the performance of such activities.

Mark Stanley is accountable for compliance with the financial promotions regime and the quality of client communications to regulatory standards, as well as complaints handling and governance controls in the manufacture and distribution of investment products. Mr Stanley is the Firm's Consumer Duty Champion.

The Senior Management Team generally meets weekly to consider matters arising under all prescribed and other responsibilities. All Senior Management Team members are based in the Firm's London office and are in daily communication.

The Firm's governance arrangements are designed to ensure that the effective and prudent management of the Firm is prioritised. This is both with respect to the composition of the Board of Directors itself and with respect to the Firm's overall structure, including the segregation of duties within the wider organisation.

The Firm maintains conflicts of interest procedures and processes overseen by the General Counsel/Compliance Officer. This includes the identification, managing and monitoring of potential or actual conflicts under the overall supervision of the Board of Directors. The Firm emphasises the need to prioritise the interests of its clients and to resolve potential or actual conflicts between clients.

The Firm's ICARA process assists the Firm in determining its material harms, including those affecting its clients and the integrity of the market. The Firm's Senior Management Team reviews the ICARA at least annually.

### 3.2 EXTERNAL DIRECTORSHIPS

No member of the Firm's Board of Directors holds remunerated positions outside the Payden & Rygel group, including its sponsored funds. The directorships held by the members of the Firm's management body are as follows<sup>1</sup>:

Management body member	Executive directorships	Non-executive directorships
<i>Joan Payden</i>	<i>Payden &amp; Rygel</i>	<i>Payden Global Funds plc</i>
<i>Mary Beth Syal</i>	<i>None</i>	<i>Payden Global Funds plc/Payden Global AIF ICAV</i>
<i>Robin Creswell</i>	<i>None</i>	<i>Payden Global Funds plc</i>
<i>Nigel Jenkins</i>	<i>None</i>	<i>Payden Global Funds plc/Payden Global AIF ICAV</i>

### 3.3 DIVERSITY

The Firm's management body comprises three men and three women. Two of the members are United States passport holders and the remaining four are British. The range of ages between oldest and youngest management body members is over thirty years. The Firm's diversity policy aims to reflect the Firm's values and inclusivity at all levels within the organisation, including the management body.

When appointing members of the management body, the Firm adopts the following guidelines:

- The appointment process is based on the principles of fairness, respect and inclusion
- Appointments are made on the basis of individual competence, skills and expertise
- The selection process gives due consideration to candidate suitability without bias with respect to personal factors such as education, professional background, ethnicity, age, disability, sexual orientation, socio-economic status or geographic location.

As a small organisation with a small number of individuals comprising the management body, the Firm does not have any diversity 'targets' as such. However, the Firm is satisfied that its practices with respect to management appointments are consistent with the objectives stated above. The Firm is a member of Progress Together, the Lord Mayor's Appeal Power of Inclusion initiative and participated in the drafting of the Chartered Financial Institute Diversity Charter.

### 3.4 RISK MANAGEMENT GROUP

The Firm is not subject to a mandatory requirement to put in place a risk committee, per MIFIDPRU 7.3.1.

However, the Board of Directors approved terms of reference for the Firm's Outsourcing Supervision and Risk Management Group pursuant to which the Senior Management Team meets quarterly as the Outsourcing Supervision and Risk Management Group core members to evaluate and update the Firm's Risk Register. These meetings are generally also attended by a representative of the parent entity's Information Technology Group in order to receive risk reporting and analysis on cyber security and business continuity planning. The Firm ensures that risk management is embedded into its culture and its overall systems and controls framework.

## 4. OWN FUNDS

The Firm is a Limited Liability Company. Its capital comprises solely share capital subscribed by its parent entity. There has been no change in ownership since inception.

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<sup>1</sup> This excludes: (a) executive and non-executive directorships held in organisations which do not pursue predominantly commercial objectives; and (b) executive and non-executive directorships held within the same group or within an undertaking (including a *non-financial sector entity*) in which the *firm* holds a *qualifying holding*.

**Table A**

As at the date of this disclosure the Firm's regulatory capital position is:

<b>Composition of regulatory own funds</b>			
	<b>Item</b>	<b>Amount (GBP thousands)</b>	<b>Source based on reference numbers/letters of the balance sheet in the audited financial statements</b>
1	<b>OWN FUNDS</b>	6,477	13
2	<b>TIER 1 CAPITAL</b>	6,477	13
3	<b>COMMON EQUITY TIER 1 CAPITAL</b>		
4	Fully paid-up capital instruments	465	13
5	Share premium		
6	Retained earnings	6,012	13
7	Accumulated other comprehensive income		
8	Other reserves		
9	Adjustments to CET1 due to prudential filters		
10	Other funds		
11	(-)TOTAL DEDUCTIONS FROM COMMON EQUITY TIER 1		
19	CET1: Other capital elements, deductions and adjustments		
20	<b>ADDITIONAL TIER 1 CAPITAL</b>		
21	Fully paid up, directly issued capital instruments		
22	Share premium		
23	(-) TOTAL DEDUCTIONS FROM ADDITIONAL TIER 1		
24	Additional Tier 1: Other capital elements, deductions and adjustments		
25	<b>TIER 2 CAPITAL</b>		
26	Fully paid up, directly issued capital instruments		
27	Share premium		
28	(-) TOTAL DEDUCTIONS FROM TIER 2		
29	Tier 2: Other capital elements, deductions and Adjustments		



**Table B**

The following table sets out a reconciliation of the Firm's own funds to the balance sheet in the Firm's audited financial statements:

<b>Own funds: reconciliation of regulatory own funds to balance sheet in the audited financial Statements</b>				
Flexible template – rows to be reported in line with the balance sheet included in the audited financial statements of the investment firm.				
Columns should be kept fixed, unless the investment firm has the same accounting and regulatory scope of consolidation, in which case the volumes should be entered in column (a) only.				
Figures should be given in GBP thousands unless noted otherwise.				
		A	B	C
		<b>Balance sheet as in published/audited financial statements</b>	<b>Under regulatory scope of consolidation</b>	<b>Cross- reference to Table A</b>
		<b>As at period end 31/12/22 (GBP Thousands)</b>	<b>As at period end</b>	
<b>Assets – Breakdown by asset classes according to the balance sheet in the audited financial Statements</b>				
1	Tangible Assets	122	No	
2	Debtors	6,549	No	
3	Cash at bank	4,412	No	
4				
5				
xxx	<b>Total Assets</b>	11083		
<b>Liabilities – Breakdown by liability classes according to the balance sheet in the audited financial Statements</b>				
1	Creditors: amounts falling due within one year	4,626	No	
2	Provisions for liabilities	-20	No	
3				
4				
xxx	<b>Total Liabilities</b>	4,606		

Shareholders' Equity				
1	Called up share capital	465	No	2
2		6,012	No	6
3				
xxx	<b>Total Shareholders' equity</b>	<b>6,477</b>		<b>1</b>

## 5. OWN FUNDS REQUIREMENT

The Firm's own funds requirement includes the following components:

K-factor requirement:	GBP (Thousands)
Sum of the K-AUM requirement, the K-CMH requirement and the K-ASA requirement:	1,225
Sum of the K-COH requirement and the K-DTF requirement:	39
Sum of the K-NPR requirement, the K-CMG requirement, the K-TCD requirement and the K-CON requirement:	0
<b>TOTAL K-factor requirement:</b>	<b>1,264</b>
<b>Fixed overheads requirement</b>	<b>2,441</b>

The Firm is required to assess the adequacy of its own funds in accordance with the overall financial adequacy rule. This requires the Firm to hold financial resources that are adequate for the business it undertakes. This is designed to achieve two key outcomes for the Firm:

1. To enable it to remain **financially viable** throughout the economic cycle, with the ability to address any potential material harms that may result from its ongoing activities (including both regulated activities and unregulated activities); and
2. To enable it to conduct an **orderly wind-down** while minimising harm to consumers or to other market participants, and without threatening the integrity of the wider UK financial system.

The Firm achieves this via its Internal Capital Adequacy and Risk Assessment ("ICARA") process. The Firm sets out:

- A clear description of the Firm's business model and strategy and how this aligns with the Firm's risk appetite
- The activities of the Firm, with a focus on the most material activities
- Whether or not the ICARA process is 'fit-for-purpose'. Where this is the case the Firm must explain why it has reached this conclusion. Where this is not the case, the Firm must set out the improvements needed, the steps needed to make the improvements and the timescale for making them, and who within the Firm is responsible for taking these steps
- Any other changes to the Firm's ICARA process that have occurred following the review and the reasons for those changes
- An analysis of the effectiveness of the Firm's risk management processes during the period covered by the review
- A summary of the material harms identified by the Firm and any steps taken to mitigate them
- An overview of the business model assessment and capital and liquidity planning undertaken by the Firm
- A clear explanation of how the Firm is complying with the overall financial adequacy rule ("OFAR") (i.e. the obligation to hold adequate own funds and liquid assets) vis-à-vis the Firm's ongoing business activities and wind-down arrangements

- A summary of any stress testing carried out by the Firm
- The levels of own funds and liquid assets that, if reached, may indicate that there is a credible risk that the Firm will breach its threshold requirements
- The potential recovery actions that the Firm has identified
- An overview of the Firm’s wind-down planning

## 6. REMUNERATION POLICIES AND PRACTICES

The Firm is subject to the Remuneration Code (the “Code”) for MIFIDPRU Firms as codified in Section 19G of the SYSC sourcebook of the FCA’s handbook.

This disclosure sets out qualitative and quantitative information on the Firm’s remuneration processes and practices.

### A. Qualitative Information

The Firm has established, implemented and maintains remuneration policies, procedures and practices that are consistent with and promote effective risk management and do not encourage excessive risk taking.

The Firm ensures that the remuneration policy and its practical application are consistent with the Firm’s business strategy, objectives and long-term interests.

Given the nature and small size of our business, remuneration for all employees is set by the Firm’s Senior Management Team in consultation with the parent entity’s Remuneration Committee. The Firm’s Senior Management Team is responsible for the review and updating of the Firm’s remuneration policy, maintaining and updating a list of material risk takers, agreeing the framework for variable remuneration plans and approving remuneration packages, including variable remuneration, for staff. The General Counsel/Compliance Officer is responsible for the initial and periodic evaluation of all employees’ fitness, probity, knowledge and competence under the Senior Managers and Certification Regime and such evaluation is taken into account in fixing remuneration of relevant staff.

Staff receive a salary which reflects market rates, as well as the responsibilities and experience of the relevant team member. All fixed remuneration is designed to provide a “standard of living” basis whereby individuals are not reliant on variable remuneration to meet non-discretionary outgoings.

All staff may also receive discretionary variable remuneration, such as an annual bonus, where the individual operates within the risk appetite of the Firm and has demonstrated appropriate behaviour. The Firm applies a principle of proportionality to the relationship between fixed and variable remuneration bearing in mind factors such as seniority, length of service, contribution over a multi-year framework, performance of the individual and business as a whole and the ongoing needs of the business.

The Firm has a flexible approach on the variable remuneration component. Variable remuneration is intended to reflect contribution to the Firm’s overall success. Staff are assessed during the year and rated based on group-wide, Firm, team and individual performance. The performance assessment considers both financial measures such as earnings and profit margin and non-financial measures such as collaboration, contribution to the Firm’s environmental, social and governance investment initiatives, productivity/efficiency and quality, risk management, people and culture, customer focus and growth and innovation.

The Firm’s awards of variable remuneration are based upon the following tenets:

1. Consistency with and promotion of sound and effective risk management
2. Discouragement of excessive risk taking
3. Avoidance of conflicts of interest
4. Alignment with the Firm’s business strategy, objectives, values and long-term interests

- Material Risk Takers

The Firm is required to disclose the types of staff it has identified as material risk takers: these are individuals whose professional activities have a material impact on the firm’s risk profile.

Material risk takers are subject to additional requirements regarding variable remuneration, including provisions related to guaranteed variable remuneration, retention awards, severance pay, buy-out awards, performance adjustment, discretionary pension benefits and personal investment strategies.

Material risk takers comprise the following:

- I. Executive members of the management body
  - II. Staff with managerial responsibility for a business unit that arranges deals, deals in investments, manages investments or advises on investments
  - III. Staff with managerial responsibilities for the activities of a control function (risk management, compliance and/or internal audit)
  - IV. Staff with managerial responsibilities for the prevention of money laundering and terrorist financing
  - V. Staff responsible for managing a material risk within the firm (as set out in the Firm's internal risk documentation)
  - VI. Individuals whose professional activities have a material impact on the Firm's risk profile such as trading activity and client relationship management.
- Performance adjustment

Pursuant to the Firm's contract of employment and remuneration policy, variable remuneration is subject to malus and clawback up to 100% of awarded amounts in various circumstances taking into account the FCA's general guidance on the application of ex-post risk adjustment to variable remuneration. Such adjustments may be made at the discretion of the management body for instances of failure to uphold the Firm's conduct culture and can apply not only to members of staff directly involved in misconduct but also to members of staff whose roles and responsibilities include business areas where failure in conduct or poor performance has been detected or not prevented.

- Guaranteed Variable Remuneration
- It is not the Firm's policy to pay guaranteed variable remuneration.

The Firm grants guaranteed variable remuneration only in exceptional circumstances generally connected to offers of employment in the first year of an employee's engagement by the Firm. The Firm's parent may elect to grant units of ownership during employment which are redeemed at book value at the end of a person's employment. The Firm's performance related remuneration is based on the assessment of the individual's performance and competence in his/her role within the business during a defined period.

This process takes into account the proportionality guidance for individuals not meeting the variable and total remuneration criteria.

- Severance Pay

The Firm's Remuneration Policy provides that payments to material risk takers relating to the early termination of an employment contract must reflect the individual's performance over time and do not reward failure or misconduct.

## B. Quantitative Information

The following quantitative information is with respect to the financial year ended 31 December 2023.

<b>Number of material risk takers:</b>		13	
<b>Aggregated remuneration:</b>			
		<b>GBP</b>	
		<b>11,644,780</b>	
Senior management	Fixed remuneration	Variable remuneration	Total remuneration

	1,343,714	3,044,416	4,388,130
Other material risk takers	Fixed remuneration	Variable remuneration	Total remuneration
	2,457,982	2,245,166	4,703,148
Other staff	Fixed remuneration	Variable remuneration	Total remuneration
	1,577,069	976,433	2,553,502
<b>Guaranteed variable remuneration and severance payments:</b>			<b>0</b>
<b>Guaranteed variable remuneration awards</b>			
	Total amount of awards made during the financial year	Number of material risk takers receiving awards during the financial year	
Senior management	0	0	
Other material risk takers	0	0	
<b>Severance payments</b>			
	Total amount of awards made during the financial year	Number of material risk takers receiving awards during the financial year	
Senior management	0	0	
Other material risk takers	0	0	
The amount of the highest severance payment awarded to an individual material risk taker		0	

## 7. UK STEWARDSHIP CODE

The Firm hereby discloses its commitment to the Financial Reporting Council's Stewardship Code under FCA COBS 2.2.3R. The Firm's parent entity, Payden & Rygel, became a signatory to the UK Stewardship Code in March 2021. This status was reapproved in 2022. The Firm is committed to supporting its parent in maintaining its signatory status on behalf of the Payden group. The Firm's most recent UK Stewardship Code Report is available on the Firm's website.