

PAYDEN USD LOW DURATION CREDIT FUND

1. FUND SPECIFIC DISCLOSURES

The information contained in this document provides guidance on sustainability-related website disclosure for Payden USD Low Duration Credit Fund (the “**Fund**”), a product classified as Article 8 of Regulation (EU) 2019/2088 - the Sustainable Finance Disclosure Regulation (“**SFDR**”).

a) Summary

This summary should be read in conjunction with the Prospectus of Payden Global Funds plc (the “**Company**”) together with its annexes. The definitions of all defined terms used herein are set out in the Prospectus. The Manager, in consultation with the Company, has classified the Fund as a financial product subject to Article 8 of SFDR. In its investment approach the Sub-Investment Manager promotes environmental and/or social characteristics as described in the SFDR Annex via:

- (i) the ESG Good Governance Policy described further in the Fund’s SFDR Annex
- (ii) the ESG Investment Exclusions Policy as applied by the Sub-Investment Manager in respect of the selection of relevant assets of the Fund
- (iii) Climate Change Mitigation as described in further detail in the SFDR Annex relating to this Fund applying Corporate GHG Intensity as described in the SFDR Annex to investable instruments as appropriate.

The management of Sustainability Risk forms part of the due diligence process implemented by the Sub-Investment Manager for the Fund. The Sub-Investment Manager considers that the Sustainability Risk faced by this Fund, which includes risks as contemplated in “Climate Change and Environmental, Social and Governance Factors Risk” in Part V: Risk Factors of the Prospectus, is moderate.

The environmental and social characteristics promoted by the Fund are monitored in accordance with the Sub-Investment Manager’s ESG Policies, namely the Payden ESG Good Governance Policy, the Payden ESG Investment Exclusions Policy, the Payden ESG Engagement Policy, and the Payden ESG Principal Adverse Impact Statement. The scope of and limitations attaching to the use of data in the promotion of environmental and/or social characteristics of the Fund are set out in the Payden ESG Data Policy.

b) No sustainable investment objective

This financial product promotes environmental or social (E/S) characteristics but does not have as its objective sustainable investment. It is expected that the minimum proportion of investments of the Fund in environmentally sustainable economic activities aligned with the EU Taxonomy (including in transitional and enabling activities) shall be 0% of the net assets of the Fund.

The “do no significant harm” principle applies only to those investments of the Fund that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining proportion of the Fund do not take into account the EU criteria for environmentally sustainable economic activities.

The Investment Manager monitors the Principal Adverse Impact Indicators (“PAIs”) quarterly to understand the negative externalities produced by investments and to assess if action is required.

c) Environmental or social characteristics of the financial product

The Fund promotes (i) the goal of climate change mitigation through the application of carbon metrics (ii) restrictions on activities that could be deemed harmful to society or the environment through the application of the Payden ESG Investment Exclusion Policy, and (iii) Good Governance through the application of the Payden ESG Good Governance Policy.

The Fund shall conduct ESG engagement as part of its stewardship commitment as outlined in the Payden ESG Engagement Policy.

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

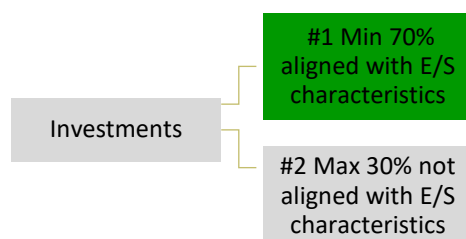
d) Investment strategy

The general investment policy and investment strategy of the Fund is set out in detail in the Prospectus. The Fund promotes E/S Characteristics with its investment strategy which is employed on a continuous basis through (i) the goal of Climate Change Mitigation through application of metrics described in this document (ii) the application of the Payden ESG Investment Exclusion Policy, and (iii) the application of the Payden ESG Good Governance Policy. The Fund shall conduct ESG engagement as part of its stewardship commitment as outlined in the Payden ESG Engagement Policy.

The Governance Assessment pursuant to the Payden ESG Good Governance Policy encompasses an assessment of corporate issuers based on available quantitative information. The Governance Assessment determines which corporate issuers may comprise the investable universe. The Governance Assessment is outlined in the Payden ESG Good Governance Policy: www.payden.com/SFDRPolicies/ESG_Good_Governance.pdf

e) Proportion of investments

Please find below a Table explaining the asset allocation to the Fund:



Typical investments in the Fund’s asset allocation is as follows:

#1 Aligned with E/S characteristics: greater than 70%

This is the portion of assets in the Fund which will promote E/S Characteristics through (i) the goal of Climate Change Mitigation, (ii) the application of the Payden ESG Investment Exclusion Policy, and (iii) the application of the Payden ESG Good Governance Policy.

#2 Other: less than 30%

Securities within the #2 Other category may be held for various reasons. Examples of include, but are not limited to, investments in (i) securities that lack ESG data, (ii) securities without a relevant E/S Universe comparator, (iii) cash or cash equivalents, or (iv) derivatives. Payden monitors the development of additional data sources and providers to assess if additional areas of the market have reliable and relevant data coverage. Please find more information on Payden data disclosure in the Payden ESG Data Policy:

www.payden.com/SFDRPolicies/ESG_Data.pdf

The investments underlying this Financial Product do not consider the EU criteria for environmentally sustainable economic activities aligned with EU Taxonomy. The minimum proportion of the Fund's investments that contribute to environmentally sustainable economic activities for the purposes of the EU Taxonomy will be 0%.

f) Monitoring of environmental or social characteristics

The basis of monitoring of environmental and/or social characteristics in the Fund is set out in the Sub-Investment Manager's ESG Policies, namely the Payden ESG Good Governance Policy, the Payden ESG Investment Exclusions Policy, the Payden ESG Engagement Policy and the Payden ESG Principal Adverse Impact Statement. The scope of and limitations attaching to the use of data in the promotion of environmental and/or social characteristics of the Fund are set out in the Payden ESG Data Policy. The applicable ESG policies used in monitoring of environmental or social characteristics are applied on a best efforts basis at the time of purchase based on the information available to Payden. The compliance system used by Payden can be coded to permit purchases only of corporate issuers that pass the Good Governance requirements and purchases only of securities to which specific exclusions under the ESG Investment Exclusion Policy do not apply. Where existing information changes or new data comes to light, and a security no longer meets the necessary standards, it is considered a passive compliance breach. Unless client guidelines and/or Prospectus provide specific instructions, Payden will review the status of portfolios 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.

Payden has constituted an ESG Committee that has oversight of the implementation of the applicable ESG Policies working in conjunction with Payden's investment research and strategy teams. The ESG Committee has created the ESG-CMPL Sub-Committee which includes the Compliance Group. The ESG-CMPL Sub-Committee is responsible for the monitoring and testing of the applicable ESG Policies. The Payden Managing Committee reviews and updates firm policies at least annually and periodically, as appropriate, upon the advice of the ESG Committee and Compliance Group.

g) Methodologies for environmental or social characteristics

- (a) Climate Change Mitigation: The Fund promotes certain environmental characteristics focusing on climate change mitigation ("**Climate Change Mitigation**"). Climate Change Mitigation is measured via greenhouse gas intensity data of the underlying securities of the Fund. The Fund portfolio's greenhouse gas intensity is compared to the relevant comparable investment universe ("**ESG Universe**") which is representative of the broad portfolio allocation for the Fund. Below are the sustainability indicators used by the Fund to measure Climate Change Mitigation where data is available:

Corporate GHG Intensity	Percent of ESG Universe	ESG Universe
✓	90%	1-5 Year portion of the Bloomberg US Aggregate Corporate Bond Index
✓	10%	ICE BofA 1-5yr US Cash Pay High Yield Bond Index

For comparative purposes, the Climate Change Mitigation of the ESG Universe is derived from the Corporate GHG Intensity of the relevant components of the ESG Universe, weighted by the percentages detailed in the table above. Where one or more elements of the ESG Universe is not included in this calculation (due to a lack of corporates in that component), the Corporate GHG Intensity of that ESG Universe is grossed up to sum to 100%. The calculation is done solely for corporates. No calculation is made for sovereign securities in this Fund. The ESG Universe greenhouse gas intensity metrics will be updated from time to time as more data becomes available.

- I. Corporate Investments: The Fund will seek to maintain a greenhouse gas intensity of investee companies ("**Corporate GHG Intensity**") that is less than the Corporate GHG Intensity of the ESG Universe calculated as described above. The Fund's Corporate GHG Intensity is measured as the weighted average carbon emissions in-line with PAIs pursuant to Article 7 under SFDR (PAI 3: Green House Gas (GHG) emissions - scope 1, 2 and 3 normalized by sales in euros).

The applicable ESG Universe for the Fund is selected by the Sub-Investment Manager on the basis of the ESG Universe (i) providing reliable and verifiable ESG metrics data and (ii) having an investment universe relevant to the Fund. Securities held in the Fund that have Corporate GHG Intensity are considered in the E/S Characteristics of the Fund.

- (b) ESG Investment Exclusions: The Fund seeks to attain E/S Characteristics through restrictions and exclusions ("**ESG Exclusions**") on activities that could be deemed harmful to society or the environment. This includes both environmental and social screens across corporate issuers. ESG Exclusions are outlined in the Payden ESG Investment Exclusion Policy.
- (c) Good Governance: The Governance Assessment evaluates corporate issuers based on available, quantitative information in order to evaluate a broad and global investment universe. The Governance Assessment determines which corporate issuers may comprise the investable universe. The Governance Assessment is outlined in the Payden ESG Good Governance Policy.

(h) Data sources and processing

Payden has adopted and implemented an ESG Data Policy. Payden places reliance on a combination of third party data and internal analysis in the implementation of its ESG investment strategies. Where Payden relies on third party data for this analysis it periodically evaluates the data and service providers. The proportion of data that is estimated will vary by metric and change based on the level of data reported by issuers. Payden's use of external data providers may vary from time to time, including selection and deselection of relevant data providers. Payden periodically reviews the data sources and methodologies used to inform its policies and accordingly the policies may be updated from time to time. Payden has established a process to allow investment teams to challenge the data provided by service providers.

Use of MSCI ESG data is applied in the following policies: Payden ESG Investment Exclusion Policy, Payden ESG Good Governance Policy, Payden ESG Principal Adverse Impact Statement, and Payden ESG Engagement Policy. MSCI ESG data is also used for environmental and/or social promotion through Climate Change Mitigation, unless noted otherwise. For corporate issuers, the relevant exclusion criteria are based on the MSCI issuer and sector mapping. Issuers classified as a corporate by MSCI ESG data will follow corporate business involvement screens. For further information please see our ESG Data Policy: www.payden.com/SFDRPolicies/ESG_Data.pdf

i) Limitations to methodologies and data

There can be no assurance that data based ESG investment methodologies will be successful at capturing all ESG factors. Payden evaluates its use of data and data service providers as a matter of course through due diligence and may adjust data providers, sources or methods as the availability and quality of data evolves. Third party data providers may not capture the full extent of an issuer's activities, the full scope of the investment universe or may experience delays in a changing business environment or institutional conduct. In such cases, activities that we are looking to exclude may not be fully captured, resulting in inaccurate information and therefore investments in issuers engaged in activities which the portfolio wishes to exclude may be included and vice versa.

One of the challenges faced by the investment management industry when integrating sustainability risks, Principal Adverse Impacts, or ESG considerations in the investment process is the limited availability of relevant data for that purpose. For some areas of the market, data is not yet systematically disclosed by issuers or, when disclosed by issuers, may be incomplete or may follow different methodologies. Information used to establish Payden's ESG Exclusion Policy or determine applicable ESG factors for any portfolio is typically based on historical data, which may not be complete or may not fully reflect the future ESG performance or risks of the investments.

The limitations described above are acknowledged by Payden and where data is considered to be compromised or insufficient, an investment will not be included in that proportion of the Fund that promotes environmental and social factors. For further information please see our ESG Data Policy: www.payden.com/SFDRPolicies/ESG_Data.pdf

j) Due diligence

In conducting initial due diligence and ongoing monitoring on the underlying assets of the Fund the Sub-Investment Manager implements the Payden ESG Policies namely the Payden ESG Good Governance Policy, the Payden ESG Investment Exclusions Policy, the Payden ESG Engagement Policy, and the Payden ESG Principal Adverse Impact Statement. The scope of and limitations attaching to the use of data in the promotion of environmental and/or social characteristics of the Fund are set out in the Payden ESG Data Policy.

The ESG Committee is responsible for oversight of the implementation of the ESG Good Governance Policy, ESG Investment Exclusion Policy, ESG Data Policy, ESG Engagement Policy and PAI Statement working in conjunction with Payden's investment research and strategy teams. The ESG Committee has created the ESG-CMPL Sub-Committee which includes the Compliance Group as an internal control measure. The ESG-CMPL Sub-Committee is responsible for the monitoring and testing of the policies. The Managing Committee reviews and updates the applicable policies at least annually and periodically as appropriate upon the advice of the ESG Committee and Compliance Group. Payden envisages engaging external control expertise at some future date as practice under SFDR evolves.

k) Engagement policies

Payden has adopted and implemented the Payden ESG Engagement Policy which can be found here:

www.payden.com/SFDRPolicies/ESG_Engagement.pdf

The Fund conducts ESG engagement as part of its stewardship commitment as outlined in the Payden ESG Engagement Policy. The Fund considers PAIs through both the promotion of E/S Characteristics as described above and through engagement. The Payden ESG Engagement Policy contains information on Payden's approach to engagement as it relates to PAIs as well as other initiatives undertaken with investee companies.

l) Designated reference benchmark

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

2. ENTITY LEVEL DISCLOSURES

The following sub-funds of the Company have been classified as Article 8 products for the purposes of SFDR:

- [Payden Absolute Return Bond Fund](#)
- [Payden Global Aggregate Bond Fund](#)
- [Payden Global Bond Fund](#)
- [Payden Global Emerging Markets Bond Fund](#)
- [Payden Global Emerging Markets Bond Fund \(Hard Currency\)](#)
- [Payden Global Equity Income Fund](#)
- [Payden Global High Yield Bond Fund](#)
- [Payden Global Short Bond Fund](#)
- [Payden Sterling Reserve Fund](#)
- [Payden US Core Bond Fund](#)
- [Payden USD Low Duration Credit Fund](#)
- [Payden US Dollar Liquidity Fund](#)

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Payden Global Government Bond Index Fund and Payden Global Inflation-Linked Bond Fund are classified as Article 6 for the purpose of SFDR i.e., they do not promote Environmental or Social Characteristics or have sustainable investment objectives.

a) Sustainability risk policy statement:

When assessing the Sustainability Risk associated with underlying investments, the Sub-Investment Manager is assessing the risk that the value of such underlying investments could be materially negatively impacted by an environmental, social or governance (“ESG”) event or condition (“ESG Event”) (“Sustainability Risk”). The Sub-Investment Manager’s investment process is dynamic and is designed to be adaptive to changing market conditions, data coverage and developments in global sustainability analysis. Sustainability Risk is identified, monitored, and managed by the Sub-Investment Manager using both quantitative and qualitative processes and the tools described herein within a customised framework developed by the Sub-Investment Manager.

b) Consideration of Principal Adverse Impacts:

Each Fund classified as Article 8 identifies and addresses the principal adverse impacts and indicators. The Sub-Investment Manager has set parameters on a fund-by-fund basis for how principal adverse impacts are considered in the investment process. Please see our PAI statement here: www.payden.com/SFDRPolicies/ESG_PAI_Statement.pdf

c) Remuneration Policy Summary:

The remuneration policy of the Manager is structured so as to ensure that it is consistent with the integration of sustainability risks in the investment decision making process in respect of each of the sub-funds of the Company as contemplated pursuant to Article 5 SFDR. In this regard the structure of remuneration of the Manager is consistent with the following principles:

- I. promotion of sound and effective risk management with respect to sustainability risks;
- II. no encouragement of excessive risk-taking with respect to sustainability risks; and
- III. remuneration is not linked to investment performance.

Payden & Rygel
Payden USD Low Duration Credit Fund, 549300NYCG2Q5B5KVW94

Summary

For the period 1 January 2022 – 28 November 2022 the Manager did not consider adverse impacts of investment decisions on sustainability factors within the framework of SFDR. During that period, the Manager was undertaking preparatory work in consultation with Payden & Rygel to consider these impacts, to devise and implement associated due diligence policies and to report on the same. The Manager therefore considers it prudent to monitor the evolution in the implementation of SFDR and to evaluate developments in the availability of data and evaluation methodologies with the aim of implementing the consideration of adverse impacts in conjunction with application regulatory deadlines. Without prejudice to the above, the Sub-Investment Manager in any case excludes companies producing tobacco and tobacco related products from the potential universe in which the portfolios managed may invest. However, in respect of the other processes, assessments, filtering and restrictions referred to in this statement, full discretion is retained by the Sub-Investment Manager in respect of the investment decisions delegated to it by each relevant client, to ensure that a qualitative ESG assessment may still be made, including where there may be a lack of data, outdated data or the Firm considers that engagement and stewardship may lead to a more effective and positive change in the business practices affecting ESG characteristics.

Addendum 3 to the Prospectus states that with effect from 29 November 2022, the Fund considers principal adverse impacts of its investment decisions on sustainability factors. The present statement is the consolidated statement on principal adverse impacts on sustainability factors of Payden & Rygel and affiliated companies.

Description of policies to identify and prioritize principal adverse sustainability impacts

We identify and address the principal adverse impacts and indicators and set parameters on a fund-by-fund basis for how principal adverse impacts are considered in the investment process. Payden seeks to manage the risks connected with potential adverse impacts from our investments as outlined by SFDR regulation. Payden mitigates these risks in various ways, including

- **Exclusion Criteria:** Products or accounts may employ climate-related exclusions related directly to the Principal Adverse Impacts. This serves to mitigate the risk associated with such investments. More information can be found at www.payden.com/SFDRPolicies/ESG_Exclusions.pdf
- **Promotion:** Some products or accounts may employ specific and binding promotion criteria that serve to mitigate the risk associated with the Principal Adverse Impacts. The Fund considers PAI 3 in its promotion of Climate Change Mitigation. Further information can be found in the relevant funds pre-contractual disclosure document. Please see product specific disclosures for further information at www.payden.com/ucitsfunds.aspx
- **Targeted Engagement:** Payden & Rygel's Engagement Policy can be found www.payden.com/SFDRPolicies/ESG_Engagement.pdf. The policy contains information on Payden & Rygel's approach to engagement as it relates to Principal Adverse Impacts as well as other initiatives undertaken by Payden & Rygel with investee companies.

In addition, Payden periodically reviews this disclosure and the data sources and methodologies used to assess and mitigate principal adverse impacts.

www.payden.com/SFDRPolicies/ESG_PAI_Statement.pdf

Engagement policies

www.payden.com/SFDRPolicies/ESG_Engagement.pdf

References to international standards

Payden & Rygel is a UN PRI Signatory, SASB Alliance Member, CDP Signatory, Climate Action 100+ Member, Net Zero Asset Managers Initiative / Paris Alignment and UK Stewardship Code Signatory.