

Payden Global Funds PLC

Issuer Engagement Policy

Shareholder Rights Directive II

Effective Date 30 March 2020

Version	Date/Effective Date	Created by	Approved By
1.1	30 March 2020	Dillon Eustace	Board of Directors
1.2	November 2020	Dillon Eustace	Board of Directors

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33, Sir John Rogerson' Quay, Dublin 2, Ireland

-ISSUER ENGAGEMENT POLICY - SHAREHOLDER RIGHTS DIRECTIVE II -

1 SEPTEMBER 2020

This statement explains how Payden Global Funds Plc (the “**Firm**”), complies with its obligations under the revised Shareholder Rights Directive (“**SRD II**”) with regard to shareholder engagement with public companies, as required by the European Union (Shareholders’ Rights) Regulations 2020 (the “**Irish Regulations**”). The Irish Regulations in turn amend the provisions of the Companies Act 2014 as amended (the “**Companies Act**”).

Rationale for adopting the shareholder engagement policy of the Investment Manager

The Firm falls within the definition of “relevant asset manager” under Section 1110F of the Companies Act. As a result, in accordance with its obligations under Section 1110H of the Companies Act, the Firm has developed this shareholder engagement policy (the “**Policy**”) which describes how the Firm engages with investee companies in which applicable sub-funds of the Firm invest.

The Firm has appointed Payden & Rygel Global Limited (the “**Investment Manager**”) to manage the assets of the sub-funds on a discretionary basis. The requirements of SRD II apply to the Investment Manager as an investment firm regulated under the Markets in Financial Instruments Directive II only to the extent it is investing in shares traded on a regulated market (or on a comparable market outside the EEA).

Both the Firm and the Investment Manager constitute an “asset manager” within the meaning of the SRD II Directive and as a result are subject to the same obligation to prepare and implement a shareholder engagement policy. The Firm therefore intends to discharge its obligations under the Companies Act to publish a shareholder engagement policy by relying on the policy of the Investment Manager which is available at www.payden.com and the current version of which is appended at Schedule 1 hereto.

Integration of shareholder engagement with investment strategy

The Investment Manager’s regulated business activity is to act as investment manager for separately managed accounts for professional investors and for the Company and its sub-funds in predominately fixed income investments. As such, the Investment Manager is engaged to a limited degree in investment management in equity securities on behalf of its clients. In addition to the exercise of voting rights where these are applicable, the Investment Manager approaches engagement and stewardship through both the Investment Manager’s ongoing due diligence research/meetings with corporate management and the new issue channel.

Claire Wilkinson as Designated Person responsible for Regulatory Compliance is responsible for overseeing and monitoring the implementation of and adherence of the Firm to this Policy (the “**Designated Person**”). In order to do so, the Investment Manager is required to report on engagement with investee companies in its monthly report to the Designated Person. Where they deem it necessary to do so, the Designated Person may report directly to the Board on any matter giving rise for concern. Shareholder engagement will also be included in the quarterly report of the Investment Manager to the Board.

The Investment Manager is an active member of external shareholder engagement related organizations in order to align itself with industry practice. These organisations include being a signatory to the Principles for Responsible Investment and an alliance member of the Sustainability Accounting Standards Board. The Investment Manager’s parent company, Payden & Rygel, has constituted both an ESG Group and a Proxy Voting Committee, the remit of both of which extends to consideration of governance issues including monitoring and dialogue with investee companies as well as the analysis of voting issues. The Investment Manager has representation on the ESG Group.

Monitoring of investee companies

The Investment Manager actively monitors and analyses news and events concerning investee companies. The monitoring encompasses strategy, financial and non-financial performance and risk,

capital structure, social and environmental impact and corporate governance. In addition to its own internal resources, Payden & Rygel has engaged Glass Lewis, a specialist investee company monitoring and proxy voting services provider for research and advice that the Proxy Voting Committee will take into consideration.

Dialogue with investee companies

It is the Investment Manager's policy to engage with investee companies (both private sector corporates and quasi-sovereigns) each year as part of its normal course of business. The Investment Manager bases its engagement on the SASB Engagement Guide, a standardized, industry-specific framework aimed at driving issuer transparency. The Investment Manager tracks the number of meetings it conducts with corporate issuers' teams. The Investment Manager's engagement activity and discussions are an important part of our fundamental analysis. This engagement includes in-person and conference call meetings, as well as through meeting with management through conferences. Not only do these discussions enhance the Investment Manager's analysis, they also provide an avenue for the Investment Manager to promote ESG values to issuers.

Exercise of shareholder rights

The Proxy Voting Committee's remit is to consider any issues related to proxy matters. The Investment Manager regularly engages its proxy voting firm (Glass Lewis) to make sure they are considering ESG in their voting recommendations. For ballot items that are routine in nature, Payden & Rygel has set parameters that are listed in a template used by Glass Lewis. For items that are more complicated in nature, such as shareholder proposals, Glass Lewis will provide research and advice that the Investment Manager's Proxy Voting Committee will take into consideration when determining its voting decisions. When evaluating proxy matters, the Investment Manager's Proxy Voting Committee will vote in a manner that is consistent with the best interest of the client and does not subordinate the client's interests to its own. . The Investment Manager leverages the expertise of Glass Lewis in evaluating whether any particular shareholder or bondholder voting entitlement would be regarded as significant and in escalating these matters for further analysis. Very broadly, matters that require a special majority/special resolution are not likely to be routine matters and thus are likely to be significant voting event. Similarly, shareholder circulars can also be an indicator that a matter should be regarded as significant.

Annual disclosure

The Investment Manager makes annual disclosure by means of its website of the following information on a retrospective basis: (i) a general description of the Investment Manager's voting behaviour; (ii) an explanation of the most significant votes; and (iii) report on the use of the services of proxy advisors.

Cooperation with other shareholders and stakeholders of investee companies

It is generally not the Investment Manager's policy to participate in formal shareholder coalitions, groups or similar initiatives.

Conflicts of interest

Any potential or actual conflict of interest pertaining to engagement in investee companies is subject to the Investment Manager's Conflicts of Interest Policy.

Testing of Investment Manager's compliance with its shareholder engagement policy

The Firm has reviewed and adopted the Investment Manager's shareholder engagement policy. As noted above, the Investment Manager is required to report on engagement with investee companies in its monthly report to the Designated Person.

This monthly report will include information on all proxies voted during the previous month and whether or not the Investment Manager voted with management and/or voted in agreement with any applicable recommendation of Glass Lewis. .

This monthly report will also provide background information on any direct engagement by the Investment Manager with investee companies facilitated by Glass Lewis

Monthly reporting to the Designated Person and quarterly reporting to the Board allows the Firm to consider whether the Investment Manager is complying with the terms of its shareholder engagement policy.

Supervision and review

This Policy is reviewed annually by the Firm's Board of Directors, and more frequently should the need arise. The Firm's Board of Directors authorises the Designated Person to make disclosure in accordance with this Policy to relevant stakeholders.

The Designated Person shall also be notified of any changes to the engagement policy of the Investment Manager as appended at Schedule 1 hereto and shall assess whether such changes allow the Firm to continue to comply with its obligations under the Companies Act 2014.

On an annual basis, the Designated Person shall, in conjunction with the Investment Manager, conduct a review of how the shareholder engagement policy of the Investment Manager has been implemented over the previous twelve months and the Firm shall publicly disclose this on its website¹. Dependent on the engagement of the Investment Manager during the relevant period, this may include:

- (i) An analysis of voting behaviour
- (ii) Consideration and explanation of the most significant votes; and
- (iii) The use of services of proxy advisors.

This review will also identify any appropriate measures which need to be taken to address any deficiencies identified in the Designated Person's review.

In the event that the Firm does not, in a given year, publicly disclose how this Policy has been implemented in accordance with Section 1110H of the Companies Act 2014, the Firm must publicly disclose a clear and reasoned explanation for its failure to do so.

¹ This may be the same statement as the Investment Manager discloses on its website provided that the statement makes clear that it applies to both the obligation of the Investment Manager and the UCITS under applicable legislation to disclose how they have implemented their shareholder engagement policy.

Schedule 1

PAYDEN & RYGEL GLOBAL LIMITED

SHAREHOLDER RIGHTS DIRECTIVE II - ENGAGEMENT POLICY

1 SEPTEMBER 2020

This statement explains how Payden & Rygel Global Limited (the “**Firm**”), complies with its obligations under the revised Shareholder Rights Directive (“**SRD II**”) with regard to shareholder engagement with public companies, as required by the FCA rules at COBS 2.2B.5 R.

Integration of shareholder engagement with investment strategy

The requirements of SRD II apply to an investment firm regulated under the Markets in Financial Instruments Directive II only to the extent it is investing in shares traded on a regulated market (or on a comparable market outside the EEA). The Firm’s regulated business activity is to act as investment manager for separately managed accounts and for Payden Global Funds plc UCITS sub-funds in predominately fixed income investments. As such, we are engaged to a limited degree in investment management in equity securities on behalf of our clients. Nevertheless, the Firm does seek to engage with investee companies both in respect of its fixed income and public equities’ investment management. In addition to the exercise of voting rights where these are applicable, we approach engagement and stewardship through both ongoing due diligence research/meetings with corporate management and the new issue channel. This approach involves direct engagement with issuers during their debt issuance process.

We are active members of external shareholder engagement related organizations in order to align ourselves with industry practice. These organisations include being a signatory to the Principles for Responsible Investment and an alliance member of the Sustainability Accounting Standards Board. The Firm’s parent company, Payden & Rygel, has constituted both an ESG Group and a Proxy Voting Committee, the remit of both of which extends to consideration of governance issues including monitoring and dialogue with investee companies as well as the analysis of voting issues. The Firm has representation on both these committees.

Monitoring of investee companies

The Firm actively monitors and analyses news and events concerning investee companies. The monitoring encompasses strategy, financial and non-financial performance and risk, capital structure, social and environmental impact and corporate governance. In addition to its own internal resources, Payden & Rygel has engaged Glass Lewis, a specialist investee company monitoring and proxy voting services provider for research and advice that the Proxy Voting Committee will take into consideration.

Dialogue with investee companies

It is the Firm’s policy to engage with numerous investee companies (both private sector corporates and quasi-sovereigns) each year as part of our normal course of business. We base our engagement on the SASB Engagement Guide, a standardized, industry-specific framework aimed at driving issuer transparency. We monitor the number of meetings we conduct with issuers’ teams. Our engagement activity and discussions are an important part of our fundamental analysis. This engagement includes in-person and conference call meetings, as well as through meeting with management through conferences. Not only do these discussions enhance our analysis, they also provide an avenue for us to promote ESG values to issuers.

Exercise of shareholder rights

The Proxy Voting Committee’s remit is to consider any issues related to proxy matters. We regularly engage our proxy voting firm (Glass Lewis) to make sure they are considering ESG in their voting recommendations. For ballot items that are routine in nature, Payden & Rygel has set parameters that are listed in a template used by Glass Lewis. For items that are more complicated in nature, such as shareholder proposals, Glass Lewis will provide research and advice that our Proxy Voting Committee will take into consideration when determining its voting decisions. When evaluating proxy matters, our

Proxy Voting Committee will vote in a manner that is consistent with the best interest of the client and does not subordinate the client's interests to its own. Payden & Rygel does not automatically vote with management. We leverage the expertise of Glass Lewis in evaluating whether any particular shareholder or bondholder voting entitlement would be regarded as significant and in escalating these matters for further analysis. Very broadly, matters that require a special majority/special resolution are not likely to be routine matters and thus are likely to be significant voting event. Similarly, shareholder circulars can also be an indicator that a matter should be regarded as significant.

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Cooperation with other shareholders and stakeholders of investee companies

It is not the Firm's policy to participate in formal shareholder coalitions, groups or similar initiatives.

Conflicts of interest

Any potential or actual conflict of interest pertaining to engagement in investee companies is subject to the Firm's Conflicts of Interest Policy.

Supervision and review

This Policy is reviewed annually by the Firm's Board of Directors, and more frequently should the need arise. The Firm's Board of Directors authorises the Chief Executive Officer to make disclosure in accordance with this Policy to relevant stakeholders.