

Payden & Rygel Exclusion Statement

OVERVIEW

Payden & Rygel was built on the tenets of collaboration, financial independence, and customization of portfolio strategies to meet the evolving needs of our clients. We have a diverse global client base and strive to exceed our client's expectations across the various elements of their mandate. Over the last few years, we've seen a growing divergence in how US and non-US clients define fiduciary, with non-US clients taking a broad view of what it means to be a fiduciary, including formally incorporating responsible investing principles into their investment portfolios. Given our varied client base and the rapid pace of ESG evolution, we have developed ESG tools and exclusions that we apply to client portfolios, where applicable.

SCOPE

With our client-centric approach, we understand that clients have varying needs and may seek portfolio restrictions or exclusions on activities that could be deemed harmful to society or the environment. We offer a range of Article 8 pooled funds under the Sustainable Financial Disclosure Regulation ("SFDR") and a California Municipal Social Impact Fund for U.S. investors. In addition, for other advised funds and separately managed accounts we offer customized portfolio solutions.

- Payden applies baseline exclusions which prohibit investments in securities of companies in a Bloomberg industry subgroup designation of Tobacco or Private Corrections ("Baseline Exclusions"). Baseline Exclusions may be removed from each separate account by client request or by manager discretion based on the client relationship.
- Clients may also seek to apply other restrictions or seek to broaden their exclusions beyond those categories included in our Baseline Exclusions. We manage portfolios for numerous clients who have established their own set of exclusions; examples include other business activities related to specific environmental, social, ethical, or religious concerns. Payden has built a variety of tools to customize and manage client accounts for specific needs in a manner that is consistent with client requests and risk/return expectations.
- Payden has been appointed as investment manager/adviser to various EU-domiciled collective investment schemes and manages many of these investments so that they can be designated as Article 8 financial products pursuant to SFDR and promote environmental and/or social characteristics. The ESG Investment Exclusion Policy applicable to the management of these SFDR Article 8 products can be found [here](#) and may be applied to client separate accounts upon request.

APPLICATION

Payden relies on third party data for the application of exclusions and periodically evaluates the data and service providers. Our use of external data providers may vary from time to time, including the selection and removal of relevant data providers. We periodically review the data sources and methodologies used to inform our policies and accordingly, the policies may be updated from time to time. If exclusion criteria change, new exclusion criteria are introduced, or there are changes to the exclusion's revenue thresholds, any newly determined excluded issuers will be sold as soon as reasonably practical and in the best interest of the client.
