



# **PAYDEN GLOBAL SIM S.p.A.**

ANNUAL DISCLOSURE 2022

ISSUER ENGAGEMENT POLICY

Shareholder Rights Directive II (EU) 2017/828



## 1. INTRODUCTION

This document contains the relevant information in relation to the obligation of Payden Global SIM S.p.A. (the “Firm” or the “SIM”) to make annual disclosure by means of its website, of the manner in which we have implemented our Issuer Engagement Policy (the “Policy”) formulated in accordance with the Shareholder Rights Directive II (EU) 2017/828 (the “SRD II”) and includes the following information: (i) a general description of voting behaviours adopted on behalf of the managed accounts; (ii) an explanation of the most significant votes; and (iii) report on the use of the services of proxy advisors, if any.

The Firm complies with its obligations under the SRD II on the encouragement of long-term shareholder engagement with listed companies, as well as the laws and regulations implementing the SRD II in Italy.

You may review our Policy on the website. Payden & Rygel is a signatory to the UK Stewardship Code and you can read our latest report here: [https://www.payden.com/documents/2020 UK Stewardship Code Report.pdf](https://www.payden.com/documents/2020%20UK%20Stewardship%20Code%20Report.pdf) .

## 2. DESCRIPTION OF VOTING BEHAVIOURS ADOPTED ON BEHALF OF THE MANAGED ACCOUNTS

The Firm’s regulated business activity is to act as investment manager for separately managed accounts and as sub-distributor for sub-funds of Payden Global Funds plc and Payden Global AIF ICAV. Our investment management activity is centred predominately on fixed income investments. As such, the Firm is engaged to a limited degree in investment management in equity securities on behalf of its clients. Certain clients may elect to exercise voting rights in respect of their investments themselves and the Firm’s role in this instance is to facilitate such exercise through the provision of information in a timely manner. The Firm approaches engagement and stewardship by seeking to exercise its rights to intervene and vote in the relevant meetings of the investee companies in respect of its public equities’ investment management. In such a context, the Firm, also through its proxy advisor, may monitor and conduct analysis on the investee company aimed at collecting information useful to the purpose of exercising its rights of intervention and vote.

## 3. SIGNIFICANT VOTES IN 2022

The Firm, in line with its investment management strategy and the proportionality principle, focuses on the engagement and the exercise of its rights to attend and vote with limitation to issuers’ shareholdings that it deems to be ‘significant’, based on the following criteria and thresholds:

- shareholdings greater than 0.5% of the total share capital of the listed company;



- shareholdings representing more than 0.5% of the total asset value of the relevant portfolio under management

(the “**Significant Shareholdings**”).

The Firm managed no shareholdings where significant voting activity delegated to the Firm arose during 2022.

#### **4. USE OF PROXY VOTING SERVICES**

When performing investment management activities in relation to listed equity securities, it is the Firm’s policy to consider any issues related to proxy matters, by regularly engaging with its proxy voting firm (Glass Lewis) (“the “**Proxy Advisor**”) to make sure we are considering, *inter alia*, ESG matters in our voting recommendations. For ballot items that are routine in nature, we set parameters that are listed in a template used by the Proxy Advisor. For items that are more complicated in nature, such as shareholder proposals, the Proxy Advisor will provide research and advice that the Investment Committee will take into consideration when determining the Firm’s voting decisions. When evaluating proxy matters, the Investment 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. We do not automatically vote with management. We leverage the expertise of the Proxy Advisor 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.

The Firm may, also through the services offered by the proxy advisor, monitor and analyse news and events concerning investee companies, on a contingent basis. The monitoring may encompass strategy, financial and non-financial performance and risk, capital structure, social and environmental impact and corporate governance, and, when conducted, shall be duly documented. Such monitoring is aimed at acquiring data and up-to-date information on the investee companies in order to allow the Firm to exercise its rights of intervention and vote in the relevant meeting of such companies, where applicable, in the best interest of the Firm’s client and to the purpose of facing any material risk to the long-term financial performance of the portfolio.