

**Payden Global Funds PLC**  
**Second Addendum to the Prospectus ("Addendum")**

**This Addendum dated 04 November, 2019 should be read in conjunction with, and forms part of, the Prospectus of the Company dated 8 May, 2017, the First Addendum thereto dated 19 October 2018 and the supplement thereto for the Payden Global Emerging Markets Bond Fund (Hard Currency) dated 28 May, 2019 (the "Prospectus").** All capitalised terms herein contained shall have the same meaning in this Addendum as in the Private Placement Memorandum, unless otherwise indicated.

The Directors of the Company accept responsibility for the information contained in this Addendum. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Addendum. For the purposes of interpretation, in the event of any conflict between this Addendum and the Prospectus, any such conflict shall be resolved in favour of this Addendum.

**AMENDMENTS TO THE PROSPECTUS**

**A. Changes To Add Clarification on the Use of Benchmarks in the Funds**

The Directors wish to advise Shareholders that the following amendment is made to Part II of the Prospectus entitled **"INVESTMENT OBJECTIVES AND POLICIES"** with effect from the date of this document.

The following section is added to the Prospectus as a new section immediately preceding Part III of the Prospectus:

**PART II.I**  
**USE OF BENCHMARKS IN THE MANAGEMENT OF THE FUNDS**

The Funds are each managed with reference to a benchmark to the degree described in further detail in the table below, which reference may include one or more of the following uses:

- (a) As a universe from which securities may be selected or held ; and/or
- (b) To measure performance of the Fund; and/or
- (c) For the purposes of calculating relative VaR.

The below table indicates those Funds that are actively managed. The Investment Manager has discretion over the composition of the portfolio of each actively managed Fund subject to the Investment Objective and Investment Policy of each Fund. For the avoidance of doubt, the Investment Manager may select securities not included in the relevant Benchmark, unless otherwise stated.

The Company may at any time change the relevant reference benchmark for a Fund where, for reasons outside its control, that benchmark has been replaced, or another benchmark may

reasonably be considered by the Company to have become the appropriate standard for the relevant exposure. In such circumstances, any change in benchmark will be disclosed in the annual or half-yearly report of the Fund issued subsequent to such change.

Although the Funds will measure performance against a benchmark which performance will be disclosed in the relevant KIID, there exists no benchmark outperformance target for the Funds, save in the case of the Payden Absolute Return Bond Fund as described in the table below. Similarly, the Funds do not have any specified limits on benchmark tracking errors or other constraints that may limit the performance of the Funds versus the relevant benchmark. Whilst the Investment Manager does not employ a defined strategy to align with a benchmark during periods of volatility, it will take account of market environment and perceived risks at any given time and will employ its investment discretion as described in the investment policy accordingly.

A Fund's use of a benchmark may bring that Fund within the scope of Regulation (EU) 2016/1011 (the "**Benchmarks Regulation**"). In such circumstances, the Directors have appropriate contingency arrangements in place setting out the actions which will be taken in the event that a benchmark which is used by a Fund which is subject to the Benchmarks Regulation materially changes or ceases to be provided. A copy of the Company's policy on cessation or material change to a benchmark shall be made available upon request from the Company.

Details of each Fund's use of a Benchmark as at the date of this document is set out below. All Funds are actively managed unless otherwise indicated:

Name of Fund	Benchmark	Use of Index	Extent to which target investments of the Fund are part of the Index in normal market circumstances	Degree of Freedom to which Fund may Deviate from Index	Benchmark Administrator Details for Benchmark Regulations
Payden Euro Liquidity Fund	ICE BofA ML Euro 1-Month Deposit Offered Rate Constant Maturity Index	To measure performance of the Fund;	N/a	N/a	N/a
Payden US Dollar Liquidity Fund	ICE BofA ML US 3-month Treasury Bill Index	(i) As a universe from which to select or hold securities; and (ii) To measure performance of the Fund;	It is not expected that a significant portion of the Fund's constituents will also be Index constituents.	Significant	Administrator – appears on the register of administrators and benchmarks maintained by ESMA pursuant to Article 36 of the Benchmarks Regulation
Payden Sterling Reserve Fund	ICE BofA ML British Pound 1-Month Deposit Bid Rate Constant Maturity Index	To measure performance of the Fund;	N/a	N/a	N/a

Payden Absolute Return Bond Fund	ICE BofA ML 1-Month Deposit Offered Rate Constant Maturity Index  (ie 1 month LIBOR)	To achieve outperformance of the relevant benchmark;	N/a	N/a	N/a
Payden Global Short Bond Fund	FTSE World Government Bond Index 1-3yr (Currency Hedged)	(i) As a universe from which to select or hold securities; and (ii) To measure performance of the;	It is not expected that a significant portion of the Fund's constituents will also be Index constituents.	Significant	EU Administrator – appears on the register of administrators and benchmarks maintained by ESMA pursuant to Article 36 of the Benchmarks Regulation
Payden USD Low Duration Credit Fund	Bloomberg Barclays US Corporate Bond Index 1-5yr	(i) As a universe from which to select or hold securities; and (ii) To measure performance of the Fund;	It is expected that a significant portion of the Fund's constituents will also be Index constituents.	Limited	EU Administrator – Currently seeking recognition under BMR
Payden Sterling Corporate Bond Fund – Investment Grade	Bloomberg Barclays Sterling Corporate Bond Index 1-10yr ex Financials	(i) As a universe from which to select or hold securities; and (ii) To measure performance of the;	It is expected that a significant portion of the Fund's constituents will also be Index constituents.	Limited	EU Administrator – Currently seeking recognition under BMR
Payden Global High Yield Bond Fund	ICE BofA ML BB/B Global High Yield Constrained Index (Currency Hedged)	(i) As a universe from which to select or hold securities; and (ii) To measure performance of the Fund;	It is expected that a significant portion of the Fund's constituents will also be Index constituents.	Material	Administrator – appears on the register of administrators and benchmarks maintained by ESMA pursuant to Article 36 of the Benchmarks Regulation

Payden US Core Bond Fund	Bloomberg Barclays US Aggregate Bond Index	(i) As a universe from which to select or hold securities; and (ii) To measure performance of the Fund;	It is expected that a significant portion of the Fund's constituents will also be Index constituents.	Material	EU Administrator – Currently seeking recognition under BMR
Payden Global Government Bond Index Fund	FTSE World Government Bond Index (Currency Hedged) (previously named Citigroup World Government Bond Index)  Note: this is a passive Fund and is not actively managed.	(i) As a universe from which to select or hold securities; and (ii) To measure performance of the Fund;	Passive Fund will track the return of the Benchmark as described in the Investment Objective and Policy	N/a	Administrator – appears on the register of administrators and benchmarks maintained by ESMA pursuant to Article 36 of the Benchmarks Regulation
Payden Global Bond Fund	FTSE World Government Bond Index (Currency Hedged)	(i) As a universe from which to select or hold securities; and (ii) To measure performance of the Fund;	It is expected that a significant portion of the Fund's constituents will also be Index constituents.	Material	EU Administrator – appears on the register of administrators and benchmarks maintained by ESMA pursuant to Article 36 of the Benchmarks Regulation
Payden Global Emerging Markets Corporate Bond Fund	J. P. Morgan CEMBI Broad Diversified Bond Index	(i) As a universe from which to select or hold securities; and (ii) To measure performance of the Fund;	It is expected that a significant portion of the Fund's constituents will also be Index constituents.	Limited	Non-EU Administrator – Currently seeking recognition under BMR

Payden Global Emerging Markets Bond Fund	70% J. P. Morgan EMBI Global Diversified Bond Index / 30% J. P. Morgan GBI-EM Global Diversified (USD unhedged)	(i) As a universe from which to select or hold securities; and (ii) To measure performance of the Fund;	It is expected that a significant portion of the Fund's constituents will also be Index constituents.	Material	Non-EU Administrator – Currently seeking recognition under BMR
Payden Global Inflation-Linked Bond Fund	For Hedged Classes: Bloomberg Barclays World Government Inflation-Linked G7 Bond Index (Hedged)  For Unhedged Classes: Bloomberg Barclays World Government Inflation-Linked G7 Bond Index (Unhedged-GBP)	(i) As a universe from which to select or hold securities; and (ii) To measure performance of the Fund;	It is expected that a significant portion of the Fund's constituents will also be Index constituents.	Limited	EU Administrator – Currently seeking recognition under BMR
Payden Global Equity Income Fund	MSCI World Value Index	(i) As a universe from which to select or hold securities; and (ii) To measure performance of the Fund; and (iii) For the purposes of calculating relative VaR	It is expected that a significant portion of the Fund's constituents will also be Index constituents.	Material	EU Administrator – appears on the register of administrators and benchmarks maintained by ESMA pursuant to Article 36 of the Benchmarks Regulation
Payden Global Emerging Markets Bond Fund (Hard Currency) Fund	J.P. Morgan EMBI Global Diversified Index	(i) As a universe from which to select or hold securities; and (ii) To measure performance of the Fund;	It is expected that a significant portion of the Fund's constituents will also be Index constituents.	Material	Non-EU Administrator – Currently seeking recognition under BMR

Payden Global Corporate Bond Fund	Bloomberg Barclays Global Aggregate Corporate Total Return Index Hedged USD	(i) As a universe from which to select or hold securities; and (ii) To measure performance of the Fund;	It is expected that a significant portion of the Fund's constituents will also be Index constituents.	Limited	EU Administrator – Currently seeking recognition under BMR
Payden US Equity Income Fund	Russell 1000 Value Index	(i) As a universe from which to select or hold securities; and (ii) To measure performance of the Fund; and (iii) For the purposes of calculating relative VaR	It is expected that a significant portion of the Fund's constituents will also be Index constituents.	Material	EU Administrator – appears on the register of administrators and benchmarks maintained by ESMA pursuant to Article 36 of the Benchmarks Regulation

## B. Changes To Address Brexit

With effect from the date hereof, the following changes are made to the Prospectus:-

- (i) “the United Kingdom” is added immediately after “EU Member States” in the first bullet point in the section entitled “Investment Objective and Types of Investments” for Payden Global Bond Fund.
- (ii) “the United Kingdom” is added immediately after “EU Member States” in the first bullet point in the section entitled “Investment Objective and Types of Investments” for Payden US Core Bond Fund.
- (iii) “(which for the avoidance of doubt, will include EU and Non-EU Member States)” is added immediately after “Europe” in the first bullet point in the section entitled “Investment Objective and Types of Investments” for Payden Global Emerging Markets Bond Fund.
- (iv) “(which for the avoidance of doubt, will include EU and Non-EU Member States)” is added immediately after “European countries” in the first bullet point in the section entitled “Investment Objective and Types of Investments” for Payden Global Emerging Markets Corporate Bond Fund.
- (v) “(which for the avoidance of doubt, will include EU and Non-EU Member States)” is added immediately after “European countries” in the second bullet point in the section entitled “Investment Objective and Types of Investments” for Payden Global High Yield Bond Fund.

- (vi) “the United Kingdom” is added immediately after “EU Member States” in the first bullet point in the section entitled “Investment Objective and Types of Investments” for Payden Global Inflation-Linked Bond Fund.
- (vii) “(which for the avoidance of doubt, will include EU and Non-EU Member States)” is added immediately after “Europe” in the second paragraph in the section entitled “Investment Objective and Types of Investments” for Payden Global Emerging Markets Bond Fund (Hard Currency).
- (viii) “United Kingdom” is added immediately before “United States of America” in the list of countries in sub-paragraph (a) (i) under the heading “Definition of Regulated Market” in Part XII the Prospectus.
- (ix) The following is added immediately after “Turkey – the stock exchange in Istanbul” appearing in sub-paragraph (a) (ii) under the heading “Definition of Regulated Market” in Part XII the Prospectus.
  - “United Kingdom
  - the London Stock Exchange Derivatives Market
  - the London International Financial Futures and Options Exchange (LIFFE); and
  - the London Securities and Derivatives Exchange”

**Dated: 04 November, 2019**