



ESG Data Policy

May 2026

Background

Payden & Rygel and affiliated companies ("**Payden**") has been appointed as investment manager/adviser to various EU domiciled collective investment schemes. Payden manages many of these investments so that they can designated as Article 8 financial products pursuant to the Sustainable Finance Disclosure Regulation (EU 2019/2088) ("**SFDR**"). Payden has further been appointed by certain clients under separately managed accounts to manage assets in accordance with SFDR Article 8. This ESG Data Policy (the "**ESG Data Policy**") applies to the management of such assets, and can also be applied, upon request, for Payden clients wishing to voluntarily adopt and implement specific ESG data into their investment guidelines.

This ESG Data Policy sets out the way in which Payden uses data to evaluate and monitor Environmental, Social, and Governance ("**ESG**") factors in the conduct of its investment management activities. This ESG Data Policy serves as the framework for the selection, deselection, and quality control of third party data providers in the ESG sphere.

Third Party Data Providers

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. Payden's use of external data providers may vary from time to time, including the 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.

The use of MSCI ESG data is applied to 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 of Climate Change Mitigation unless noted otherwise. For corporate, sovereign, or quasi-sovereign 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 issuers classified as a sovereign by MSCI ESG data, sovereign screens are applied using data from the European Commission¹.

The ICE Climate risQ Score is used for the promotion of environmental and social factors in U.S. Commercial Mortgage-Backed Securities (CMBS) and Residential Mortgage-Backed Securities (RMBS) securities. The ICE Climate risQ Score assesses the climate score of the underlying properties backing the security and is applied where data is available.

To the extent that any third party data service provider updates the data, further information together with the current ESG Investment Exclusion Policy and updates will be published by Payden at www.payden.com/SFDRPolicies/ESG_Exclusions.pdf

Data Risk Factors

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 Investment 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.

¹ [EU Sanctions Map](#)

Payden Validation of Third Party Data

Payden recognizes that service providers may be backward-looking in their data assessment. As a result, to ensure that we exercise judgment in the use of externally sourced data, Payden has established a process to allow investment teams to challenge the data provided by service providers. Examples include but are not limited to, instances where company governance data may be available from different data sources or instances where sub-sovereigns have an implicit sovereign guarantee. Under this override process, a member of the investment team must first escalate the data challenge to a senior member of the relevant investment strategy team who will form a view and consult with Payden's Compliance Group and ESG Committee. The decision to authorize an override is taken outside of the investment team by the Compliance Group and recorded appropriately. Thus, any scenario where the data vendor assessment is overridden will go through a comprehensive review process and the rationale will be clearly documented.

The methodologies for exclusions policies and third party data use applied by Payden are regularly reviewed to take into account changes in the availability of data or methodologies used by issuers to disclose ESG-related information. As elements of the fixed income market do not yet have reliable ESG data, Payden monitors the development of additional data sources and providers to assess if additional areas of the market have reliable and relevant data coverage. As new data providers are evaluated and on-boarded, our provider list will be updated or changed.

Data Monitoring and Investment Guidelines

Where existing information changes or new data comes to light, and a security held is outside of a specific policy, it is considered a passive compliance breach. Unless client guidelines and/or prospectus provide specific instructions, Payden will review the status 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 the security but will be constrained in making additional purchases.

Policy Governance, Review, Systems and Controls

The ESG Committee is responsible for oversight of the implementation of this Policy working in conjunction with Payden's investment research and strategy teams. The ESG-CMPL Sub-Committee of the Compliance Group is responsible for the monitoring and testing of this Policy. The ESG-CMPL Sub-Committee of the Compliance Group reviews and updates the Policy at least annually and periodically, as appropriate, upon the advice of the ESG Committee and Compliance Group.

For Further Information



Visit: www.payden.com

For our full list of SFDR ESG policies visit: www.payden.com/SFDRPolicies.aspx