

Payden Global AIF ICAV

Second Addendum to the Prospectus ("Addendum")

This Addendum dated 29 November 2022 should be read in conjunction with, and forms part of, the Prospectus of the ICAV dated 19 July 2021, together with the First Addendum thereto dated 13 December 2021 (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 Payden Global AIF ICAV (the "ICAV") 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.

1. AMENDMENTS TO THE PROSPECTUS

The following changes are made to the Prospectus with effect from the date of this document, as follows:

A **AMENDMENTS TO THE SECTION ENTITLED "INTEGRATION OF SUSTAINABILITY RISK INTO INVESTMENT DECISION MAKING"**

The text under the section entitled "Integration of Sustainability Risk Into Investment Decision Making" shall be deleted in its entirety and replaced with the following language:

"Promotion of ESG In Investment Decision Making

Certain Funds of the ICAV (being those designated as Article 8 pursuant to SFDR ("**Article 8 Funds**") as described in the relevant Supplement for those Funds, will promote environmental and/or social characteristics in respect of that proportion of the portfolio of those Funds for which there is availability of ESG data in accordance with the ESG data policy of the Investment Manager (the "**Payden ESG Data Policy**"). Such minimum proportion is set out in the SFDR Pre-Contractual Document relating to the relevant Fund as appended to the Supplement for that Fund (the "**SFDR Annex**") and this proportion will be updated from time to time.

Those Funds of the ICAV designated as Article 6 pursuant to SFDR ("**Article 6 Funds**") as described in the relevant Supplement for those Funds will not promote environmental and/or social characteristics within the meaning ascribed in Article 8 of SFDR.

Integration of Sustainability Risk Into Investment Decision Making

When assessing the Sustainability Risk associated with underlying investments, the Investment Manager is assessing the risk that the value of such underlying investments could be materially negatively impacted by an environmental, social or governance ("**ESG**") event or condition ("**ESG Event**") ("**Sustainability Risk**").

The Investment Manager integrates Sustainability Risk assessment into its investment process in accordance with its status as a signatory to the Principles of Responsible Investment since 2013 and its membership of the Sustainable Accounting Standards Board Alliance. The Investment Manager's investment process is dynamic and is designed to be adaptive to changing market conditions, data coverage and developments in global sustainability analysis. Sustainability Risk is identified, monitored and managed by the Sub-Investment Manager using both quantitative and qualitative processes and the tools described herein within a customised framework developed by the Investment Manager.

The tools used by the Investment Manager will vary from Fund to Fund and the tools applicable to each particular Fund will be detailed in the Supplement to the Prospectus relating to the relevant Fund."

B AMENDMENTS TO THE SECTION ENTITLED "ADVERSE IMPACTS OF INVESTMENT DECISIONS ON SUSTAINABILITY FACTORS"

The paragraph under the section entitled "**Adverse Impacts of Investment Decisions on Sustainability Factors**" will be deleted in its entirety and replaced with the following text:

"Adverse Impacts of Investment Decisions on Sustainability Factors

The Investment Manager considers principal adverse impacts for investment in corporate and sovereign securities as described further in the SFDR Pre-Contractual Document relating to each Fund (the "**SFDR Annex**") which is appended to the relevant Supplement."

2. AMENDMENTS TO THE SUPPLEMENT

The Supplement relating to the Payden Multi Asset Credit Fund (the "**Fund**") will be amended with effect from the date of this document, as follows:

A AMENDMENTS TO THE SECTION ENTITLED "INTEGRATION OF SUSTAINABILITY RISK INTO INVESTMENT DECISION MAKING"

The existing text in the section of the Supplement entitled "**Integration of Sustainability Risk into Investment Decision Making**" will be deleted in its entirety and replaced as follows:

"Integration of Sustainability Risk into Investment Decision Making

The management of Sustainability Risk forms part of the due diligence process implemented by the Investment Manager for the Fund. The Investment Manager considers that the Sustainability Risk faced by this Fund, which includes risks as contemplated in "Climate Change and Environmental, Social and Governance Factors Risk" in Part V: Risk Factors of the Prospectus, is moderate.

Promotion Of ESG In Investment Decision Making

The Fund has been designated as Article 8 pursuant to SFDR and as such will promote environmental and/or social characteristics in respect of that proportion of the portfolio of the Fund for which there is availability of ESG data in accordance with the ESG data policy of the Investment Manager (the “**Payden ESG Data Policy**”). Such minimum proportion is set out in the SFDR Annex and this proportion will be updated from time to time.

Investment Decision Making Process

The binding elements employed in the selection of investments in the promotion of environmental and/or social characteristics of the investment strategy of the Fund are a combination of the application of (a) to (c) below.

- (a) **the ESG Good Governance Policy.** The Investment Manager follows the ESG good governance policy (“**ESG Good Governance Policy**”) described further in the SFDR Annex appended to this Supplement on a binding basis in its evaluation of corporate issuers based on available, quantitative information in order to define a broad and global investment universe. The assessments conducted pursuant to the ESG Good Governance Policy cover disclosure, structure, practices, and transparency. This ESG Good Governance Policy, which is updated from time to time, can be found at [www.payden.com\UCITS\ESG_Good Governance](http://www.payden.com\UCITS\ESG_Good_Governance);
- (b) **the ESG Investment Exclusion Policy.** The Investment Manager applies an ESG investment exclusion policy (“**ESG Investment Exclusion Policy**”) in the promotion of Environmental and/or Social Factors in its investment decision making whereby investment in the securities of issuers the activities of which are deemed not to promote environmental and/or social characteristics is restricted or wholly excluded on a binding basis. This ESG Investment Exclusion Policy, which is updated from time to time, can be found at [www.payden.com\UCITS\ESG Exclusions](http://www.payden.com\UCITS\ESG_Exclusions). As at the date of this document such exclusions include full exclusions of securities relating to tobacco manufacturing and for-profit prisons, and other exclusions relating to generation of revenue from weapons, oil & gas and thermal coal as set out in the SFDR Annex and updated from time to time. The additional tools used by the Investment Manager to promote environmental and/or social characteristics will vary from Article 8 Fund to Article 8 Fund and are described below;
- (c) **climate change mitigation** via a proportion of the portfolio of the Fund for which there is available ESG data in accordance with the Payden ESG Data Policy in respect of one of the following metrics as applicable to the instrument representing the underlying investment:
 - (i) For Corporate securities: Corporate greenhouse gas intensity (“**Corporate GHG Intensity**”) measured in weighted average carbon emissions in-line with principal adverse indicators (scope 1, 2 and 3 normalized by sales in euros)
 - (ii) For Sovereign securities: Sovereign greenhouse gas intensity (“**Sovereign GHG Intensity**”) measured by way of greenhouse gas relative to gross domestic product (GHG/GDP) in-line with principal adverse indicators)
 - (iii) For securitised securities: A climate score for securitized securities (such as, without limitation, MBS, CMBS, ABS as applicable to the relevant Fund) where

available, the details of which are set out in the SFDR Annex from time to time (“**Climate Score**”).

Each of Corporate GHG Intensity and Sovereign GHG Intensity are evaluated relative to the greenhouse gas intensity of a comparable investment universe (an “**ESG Universe**”) as set out in the SFDR Annex. The applicable ESG Universe for the Fund is selected by the Investment Manager on the basis that the ESG Universe (i) provides reliable and verifiable ESG data and (ii) has an investment universe relevant to the Fund. For the avoidance of doubt, the fact that the ESG Universe will have a broadly comparable investment universe to the Fund will dictate that the portfolio of the Fund and the ESG Universe will overlap in some areas from time to time. Notwithstanding the foregoing, the investable universe of the Fund is not defined by reference to securities in the ESG Universe and the Fund will not be ‘managed with reference to’ such ESG Universe.

The Fund considers principal adverse impacts for investment in corporate and sovereign securities as described further in the SFDR Annex which is appended to this Supplement.

Promotion of Environmental and/or Social Characteristics

In its investment approach the Investment Manager promotes environmental and/or social characteristics as described in the SFDR Annex via:

- (i) The ESG Good Governance Policy described further in the SFDR Annex
- (ii) the ESG Investment Exclusions Policy as applied by the Investment Manager in respect of the selection of relevant assets of the Fund
- (iii) climate change mitigation as described in further detail in the SFDR Annex relating to this Fund applying one or more of the Corporate GHG Intensity, Sovereign GHG Intensity and Climate Score as described above to investable instruments as appropriate.

Integration of EU Criteria For Environmentally Sustainable Economic Activities

As at the date of this document, it is expected that the minimum proportion of investments of the Fund in environmentally sustainable economic activities aligned with the EU Taxonomy (including in transitional and enabling activities) shall be 0% of the net assets of the Fund.

The “do no significant harm” principle applies only to those investments of the Fund that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining proportion of the Fund do not take into account the EU criteria for environmentally sustainable economic activities.

Dated: 29 November 2022