



EXCLUSION

ESG Investment Exclusion Policy

December 2025

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 be 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 Investment Exclusion Policy (the “**ESG Investment Exclusion Policy**”) applies on a best efforts basis to the management of such assets, and can also be applied, upon request, for Payden clients wishing to voluntarily to adopt and implement these ESG exclusions into their investment guidelines.

In order to meet SFDR requirements, this ESG Investment Exclusion Policy sets out the way in which Payden applies exclusions in respect of certain investments on the basis of Environmental, Social, and Governance (“**ESG**”) factors. Payden applies exclusions in the conduct of its investment management activity whereby investment in the securities of issuers with activities which are associated with certain ESG factors as set out below is restricted or wholly excluded on a binding basis. The restrictions and exclusions are for activities that could be deemed harmful to society or the environment. This includes both business-related and conduct-based exclusions.

Categories of Excluded Activity

Payden may elect to rely on a combination of third-party data and internal analysis to implement this ESG Investment Exclusion Policy. Payden's exclusion list originates with third party externally validated data published and updated from time to time. To the extent that the third party providers update the data, further information together with the current exclusion list and updates will be published by Payden at www.payden.com/SFDRPolicies.

Prior to and during the continuation of investment in any security falling within the scope of this ESG Investment Exclusion Policy, Payden will apply the relevant conduct-based screens based on environmental or social factors exclusions and restrictions listed below. In addition, certain strategies may employ additional screens. For Payden SFDR Article 8 funds, please see the disclosure for the relevant fund at <https://www.payden.com/ucitsfunds.aspx>.

Theme	Description
Oil & Gas	<ul style="list-style-type: none"> ▪ Issuers that derive >5% of reported or estimated revenue from arctic oil and/or gas production. ▪ Issuers that derive >5% of reported or estimated revenue from unconventional oil and gas production; examples include oil shale, shale gas, shale oil, coal seam gas, and coal bed methane. ▪ Issuers that derive >5% of reported or estimated revenue from oil sands extraction for a set of companies that own oil sands reserves and disclose evidence of deriving revenue from oil sands extraction.
Thermal Coal	<ul style="list-style-type: none"> ▪ Issuers that generate >1% of reported or estimated revenue from the mining of thermal coal and its sale to external parties. ▪ For Developed Markets, issuers that generate >10% of reported or estimated revenue from thermal coal-based power generation. ▪ For Emerging Markets, issuers that generate >25% of reported or estimated revenue from thermal coal-based power generation.
Controversial Weapons	<ul style="list-style-type: none"> ▪ Issuers that manufacture nuclear warheads or missiles. ▪ Issuers that have ties to cluster munitions, landmines, biological/chemical weapons, depleted uranium weapons, blinding laser weapons, incendiary weapons, and/or non-detectable fragments.
For Profit Prisons	<ul style="list-style-type: none"> ▪ Issuers that have derived revenue from activities related to for-profit prisons and the provision of integral services to these types of facilities.
Civilian Firearms	<ul style="list-style-type: none"> ▪ Issuers that generate more than 5% of revenue from the manufacture and retail of civilian firearms and ammunition.
Tobacco-& Cannabis	<ul style="list-style-type: none"> ▪ Issuers involved in the production of tobacco products. Tobacco products include nicotine-containing products, including traditional and alternative tobacco smoking products. Issuers where the percent of revenue is >5% derived from tobacco-related business activities. ▪ Issuers that generate >5% of revenue (or, where not disclosed, maximum estimated revenue) from cannabis and related activities.
Controversial Behaviour	<ul style="list-style-type: none"> ▪ Issuers must not have been identified by a third party data provider under the Payden ESG Data Policy as misaligned with specified international frameworks, such as but not limited to UN Global Compact (UNGC), the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises, the UN General Principles of Business and Human Rights (UNGP), and the International Labour Organization (ILO) Conventions.
EU / UN Sanctions	<ul style="list-style-type: none"> ▪ Issuers that are the subject of multiple European External Action Service (EEAS) or United Nations Security Council (UNSC) trade sanctions.

Payden Use of Third Party Data

The ESG Investment Exclusion Policy takes a quantitative and data driven approach and is used globally across relevant products. Payden places reliance on third party data for this analysis and periodically evaluates the data and service providers through due diligence. For a description of data services that Payden uses to evaluate exclusions, please find more information at www.payden.com/SFDRPolicies/ESG_Data.pdf.

Investments Within Scope of the Policy

This ESG Investment Exclusion Policy is applied to holdings of corporate, government related and sovereign securities for which externally validated third party data is available at the time of investment. The ESG Investment Exclusion Policy does not apply to derivatives unless the derivative is used to gain long exposure to a single issuer. The exclusions will not be applied to short positions or to positions in index funds or other instruments used to gain exposure to multiple underlying issuers. The ESG Investment Exclusion Policy does not apply to other instruments, such as securitized debt due to a lack of externally validated reliable data, nor to currencies, cash, cash equivalents, and money market funds which are held for cash management/liquidity purposes. Accordingly, such instruments will not be assessed for compliance with this ESG Investment Exclusion Policy. This ESG Investment Exclusion Policy will be applied on a best-efforts basis at the time of purchase based on the information available to Payden. The compliance system can be coded to permit purchases only of securities to which specific exclusions under the ESG Investment Exclusion Policy do not apply. If a security falls within a specific exclusion in the ESG Investment Exclusion Policy after purchase, 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 a security but will be constrained in making additional purchases.

In addition, bonds classified as green bonds, climate bonds, social bonds or sustainably-linked bonds from issuers that would otherwise typically be ineligible for inclusion, in some cases may be included in the accounts managed in accordance with this ESG Investment Exclusion Policy, where appropriate.

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 ESG policies visit: www.payden.com/SFDRPolicies.aspx