

ANNEX IV

Template periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: MARCH INTERNATIONAL MARCH GREEN TRANSITION BOND

Legal entity identifier: 22210071PF66GDW4QH85

## Environmental and/or social characteristics

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



### Did this financial product have a sustainable investment objective?

<input checked="" type="checkbox"/> <input type="checkbox"/> <b>Yes</b>	<input type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <b>No</b>
<input type="checkbox"/> It made <b>sustainable investments with an environmental objective: ___%</b> <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul> <input type="checkbox"/> It made <b>sustainable investments with a social objective: ___%</b>	<input checked="" type="checkbox"/> It <b>promoted Environmental/Social (E/S) characteristics</b> and while it did not have as its objective a sustainable investment, it had a proportion of <u>45.31%</u> of sustainable investments <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input checked="" type="checkbox"/> with a social objective</li> </ul> <input type="checkbox"/> It promoted E/S characteristics, but <b>did not make any sustainable investments</b>

### To what extent were the environmental and/or social characteristics promoted by this financial product met?

*March Green Transition Bond (the "Sub-Fund") is a feeder sub-fund which invests at least 85% of its net assets in class WT6 of Allianz Green Transition Bond (the "Master Sub-Fund"), a sub-fund of Allianz Global Investors Fund (the "Master Fund").*

*The Sub-Fund may invest the remaining assets, i.e. a maximum of 15% of its net assets, in ancillary liquid assets (i.e. bank deposits at sight, such as cash held in current accounts with a bank accessible at any time) and/or in derivative instruments used for hedging purposes.*

*At the reporting date, the Sub-Fund had invested 88.91% of its net assets in the Master Sub-Feeder Fund, while having the rest invested in ancillary liquid assets and/or in derivative instruments.*

Allianz Green Transition Bond (the "Master Sub-Fund") promoted the mobilization of capital markets towards the transition to a low carbon society, natural capital preservation and adaptation to climate change. The Master Sub-Fund invested primarily in:

- a. Green Bonds financing climate change mitigation or adaptation projects or other environmental sustainability projects;
- b. in Equity and / or Debt Securities whose issuers commit to future improvements in sustainability outcomes; and,
- c. in Debt Securities issued by sovereign issuers which have been bindingly ratified the Paris Agreement.

In addition, the sustainable minimum exclusion criteria for direct investments were applied. Although a composite reference benchmark has been designated for the purpose of attaining the characteristics promoted by the Master Sub-Fund, the Sub-Fund is actively managed without reference to a benchmark.

### ● **How did the sustainability indicators perform?**

The Master Sub-Fund uses the following sustainability indicators to measure the attainment of the environmental and/or social characteristics. Sustainability indicators performed as follows:

- a. The actual percentage of the Master Sub-Fund's assets invested in green transition related assets was 95.69% (therefore, 85.08% for the Sub-Fund). This comprised Green Bonds; and issuers explicitly committed to future improvements in sustainability outcomes with a predefined timeline, including but not limited to issuers participating in the Science Based Target (SBT) initiative; as well as Sovereign issuers which have bindingly ratified the Paris Agreement, and which have a sufficient Freedom House Index score. Issuers taking part to the SBT initiative committed defined targets to reduce greenhouse gas (GHG) emissions in line with the agreement as of April 2016 within the United Nations Framework Convention on Climate Change (UNFCCC), on climate change mitigation, adaption, and finance (the "Paris Agreement").
- b. The Investment Manager adhered to a minimum SRI Rating of 1 for Green & SBTi issuers held in the portfolio (out of a scale from 0-4; 0 being the worst rating and 4 the best rating).
- c. The Principal Adverse Impacts (PAIs) of investment decisions on sustainability factors were considered through the adherence to the following exclusion criteria applied for direct investments:
  - Securities issued by companies having a severe violation / breach of principles and guidelines such as the Principles of the United Nations Global Compact, the OECD Guidelines for Multinational Enterprises, and the United Nations Guiding Principles for Business and Human Rights on the grounds of problematic practices around human rights, labour rights, environment, and corruption issues.
  - Securities issued by companies involved in controversial weapons (anti-personnel mines, cluster munitions, chemical weapons, biological weapons, depleted uranium, white phosphorus, and nuclear weapons).
  - Securities issued by companies that derive more than 10% of their revenues from weapons, military equipment, and services
  - Securities issued by companies that derive more than 10% of their revenue from thermal coal extraction
  - Securities issued by utility companies that generate more than 20% of their revenues from coal
  - Securities issued by companies involved in the production of tobacco, and securities issued by companies involved in the distribution of tobacco with more than 5% of their revenues.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

Moreover, the Master Sub-Fund specific exclusion criteria for direct investments were applied:

- Sovereign issuers qualified with a score as “Not Free” by the Freedom House Index.
- Sovereign issuers that have not ratified the Paris agreement.

The sustainable minimum exclusion criteria, as well as Master Sub-Fund specific exclusion criteria were based on information from an external data provider and coded in pre- and post-trade compliance. The review was performed at least half yearly.

### ● **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?**

Sustainable investments contributed to environmental and/or social objectives, for which the Investment Managers uses as reference frameworks, among others, the UN Sustainable Development Goals (SDGs), as well as the objectives of the EU Taxonomy

The assessment of the positive contribution to the environmental or social objectives is based on a proprietary framework which combines quantitative elements with qualitative inputs from internal research. The first step was the application of the methodology which led to quantitative break-down of an investee company into its business activities. The second step involved the qualitative element of the framework to assess if business activities contributed positively to an environmental or a social objective.

The positive contribution on the Master Sub-Fund was calculated by considering the revenue share of each issuer attributable to business activities which contributed to environmental and/or social objectives, provided the issuer satisfied the Do No Significant Harm (“DNSH”) and Good Governance principles. In the second step, asset-weighted aggregation was performed.

Moreover, for certain types of securities, for e.g., finance specific projects contributing to environmental or social objectives, the overall investment was considered to contribute to environmental and/or social objective. Further, in these cases, a DNSH as well as a Good Governance check for issuers was performed.

### ● **How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?**

In order to ensure that Sustainable Investments do not significantly harm any other environmental and/or social objective, the Master Sub-Fund’s Investment Manager leveraged the PAI indicators, whereby significance thresholds have been defined to identify significantly harmful issuers.

Issuers not meeting the significance threshold were engaged for a limited time period to remediate the adverse impact. Otherwise, if the issuer did not meet the defined significance thresholds twice subsequently or in case of a failed engagement, it did not pass the DNSH assessment. Investments in securities of issuers which did not pass the DNSH assessment were not counted as sustainable investments.

### — **How were the indicators for adverse impacts on sustainability factors taken into account?**

PAI indicators were considered by the Master Sub-Fund either as part of the application of the exclusion criteria or through thresholds on a sectorial or absolute basis. Significance thresholds have also been defined referring to a qualitative or quantitative criteria.

Recognizing the lack of data coverage for some of the PAI indicators equivalent data points were used, when relevant, to assess PAI indicators when applying the DNSH assessment for the following indicators for corporates:

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- a. *share of non-renewable energy consumption and production,*
- b. *activities negatively affecting biodiversity-sensitive areas,*
- c. *emissions to water,*
- d. *lack of processes and compliance mechanisms to monitor compliance with UNGC principles and OECD Guidelines for Multinational Enterprises; for sovereigns: GHG Intensity and investee countries subject to social violations.*

*The following indicators were applied for sovereigns:*

- a. *GHG Intensity.*
- b. *Investee countries subject to social violations.*

**Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:**

*The Investment Manager’s sustainable minimum exclusion list screened out companies based on their involvement in controversial practices against international norms. The core normative framework consists of the Principles of the UN Global Compact, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles for Business and Human Rights and are embedded in the Sustainable Development Goals. Sustainable investments were aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights as Securities issued by companies having a severe violation of these frameworks were restricted from investment universe.*

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

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

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



**How did this financial product consider principal adverse impacts on sustainability factors?**

*The Master Sub-Fund’s Management Company (AllianzGI) joined the Net Zero Asset Manager Initiative and considered PAI indicators through stewardship including engagement, both of which were relevant to mitigate potential adverse impact as a company.*

*Due to the commitment to the Net Zero Asset Manager Initiative, the Management Company reduced greenhouse gas emissions in partnership with asset owner clients on decarbonisation goals, consistent with an ambition to reach net zero emission by 2050 or sooner across all assets under management. As part of this objective the Management Company had set an interim target for the proportion of assets to be managed in line with the attainment of net zero emissions by 2050 or sooner.*

*The Master Sub-Fund’s Investment Manager considered PAI indicators regarding greenhouse gas emission, biodiversity, water, waste as well as social and employee matters for corporate issuers, and, where relevant, the freedom house index was applied to investments in sovereigns. PAI indicators are considered within the Investment Manager’s investment process through the means of exclusions as described in the “environmental and/or social characteristics” section of the Master Sub-Fund.*

Moreover, the data coverage for the data required for the PAI indicators is heterogenous. The data coverage related to biodiversity, water and waste is low and the related PAI indicators are considered through exclusion of securities issued by companies having a severe violation / breach of principles and guidelines such as the Principles of the United Nations Global Compact, the OECD Guidelines for Multinational Enterprises, and the United Nations Guiding Principles for Business and Human Rights on the grounds of problematic practices around human rights, labour rights, environment, and corruption issues.

Additionally, the Master Sub-Fund considered the GHG Intensity PAI indicator for sovereign issuers as sovereigns, which have not bindingly ratified the Paris Agreement, were not investable.

The following PAI indicators were considered:

- a. *Applicable to corporate issuers*
  - 1. *GHG Emissions*
  - 2. *Carbon footprint*
  - 3. *GHG Intensity of investee companies*
  - 4. *Exposure to companies active in the fossil fuel sector*
  - 5. *Activities negatively affecting biodiversity-sensitive areas*
  - 6. *Emissions to water*
  - 7. *Hazardous waste ratio*
  - 8. *Violation of UN Global compact principles*
  - 9. *Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles*
  - 10. *Board gender diversity*
  - 11. *Exposure to controversial weapons*
- b. *Applicable to sovereign and supranational issuers*
  - 1. *GHG Intensity*
  - 2. *Investee countries subject to social violations*



The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: 2022

## What were the top investments of this financial product?

During the reference period, the majority of the investments of the financial product were participations of class WT6 of Allianz Green Transition Bond (Master Sub-Fund). A portion of the financial product contained assets which did not promote environmental or social characteristics. Examples of such assets are derivatives, cash and deposits. As these assets were not used to attain the environmental or social characteristics promoted by the financial product, they were excluded from the determination of top investments.

Largest investments	Sector	% Assets	Country
ALLIANZ GREEN TRANSITION BOND WT6 FUND	FUNDS & INDEXES	88.91%	Luxembourg

During the reference period, the majority of the the Master Sub-Fund's investments contained equity, debt and target funds. A portion of the financial product contained assets which did not promote environmental or social characteristics. Examples of such assets are derivatives, cash and deposits. As these assets were not used to attain the environmental or social characteristics promoted by the financial product, they were excluded from the determination of top investments

Largest investments	Sector	% Assets	Country
UNITED MEXICAN STATES FIX 2.659% 24.05.2031	PUBLIC ADMINISTRATION AND DEFENCE; COMPULSORY SOCIAL SECURITY	2,77%	Mexico
REPUBLIC OF INDONESIA FIX 2.850% 14.02.2030	PUBLIC ADMINISTRATION AND DEFENCE; COMPULSORY SOCIAL SECURITY	2,31%	Indonesia
DOMINICAN REPUBLIC REGS FIX 4.875% 23.09.2032	PUBLIC ADMINISTRATION AND DEFENCE; COMPULSORY SOCIAL SECURITY	1,96%	Dominican Republic
REPUBLIC OF PANAMA FIX 2.252% 29.09.2032	PUBLIC ADMINISTRATION AND DEFENCE; COMPULSORY SOCIAL SECURITY	1,86%	Panama
REPUBLIC OF ECUADOR REGS STEP 5.500%   31.07.2030	PUBLIC ADMINISTRATION AND DEFENCE; COMPULSORY SOCIAL SECURITY	1,75%	Ecuador
REPUBLIC OF PHILIPPINES FIX 2.457% 05.05.2030	PUBLIC ADMINISTRATION AND DEFENCE; COMPULSORY SOCIAL SECURITY	1,69%	Philippines
REPUBLIC OF SOUTH AFRICA FIX 5.875% 22.06.2030	PUBLIC ADMINISTRATION AND DEFENCE; COMPULSORY SOCIAL SECURITY	1,56%	South Africa
COSTA RICA GOVERNMENT REGS FIX 6.125% 19.02.2031	PUBLIC ADMINISTRATION AND DEFENCE; COMPULSORY SOCIAL SECURITY	1,16%	Costa Rica
REPUBLIC OF COLOMBIA FIX 3.250% 22.04.2032	PUBLIC ADMINISTRATION AND DEFENCE; COMPULSORY SOCIAL SECURITY	1,07%	Colombia
ROMANIA REGS FIX 3.000% 14.02.2031	PUBLIC ADMINISTRATION AND DEFENCE; COMPULSORY SOCIAL SECURITY	1,06%	Romania
BURBERRY GROUP PLC FIX 1.125% 21.09.2025	MANUFACTURING	1,04%	United Kingdom
CROATIA REGS FIX 6.000% 26.01.2024	PUBLIC ADMINISTRATION AND DEFENCE; COMPULSORY SOCIAL SECURITY	1,00%	Croatia
REPUBLIC OF SENEGAL REGS FIX 6.250% 23.05.2033	PUBLIC ADMINISTRATION AND DEFENCE; COMPULSORY SOCIAL SECURITY	0,99%	Senegal
EDP FINANCE BV 144A FIX 3.625% 15.07.2024	FINANCIAL AND INSURANCE ACTIVITIES	0,95%	Portugal
REPUBLIC OF CHILE FIX 3.500% 25.01.2050	PUBLIC ADMINISTRATION AND DEFENCE; COMPULSORY SOCIAL SECURITY	0,93%	Chile



## What was the proportion of sustainability-related investments?

*The majority of the Sub-Funds' assets were used to meet the environmental or social characteristics promoted by this Sub-Fund. A low portion of the Sub-Fund contained assets which did not promote environmental or social characteristics. Examples of such instruments could be derivatives, cash and deposits and/or investment with temporarily divergent or absent environmental, social, or good governance qualifications.*

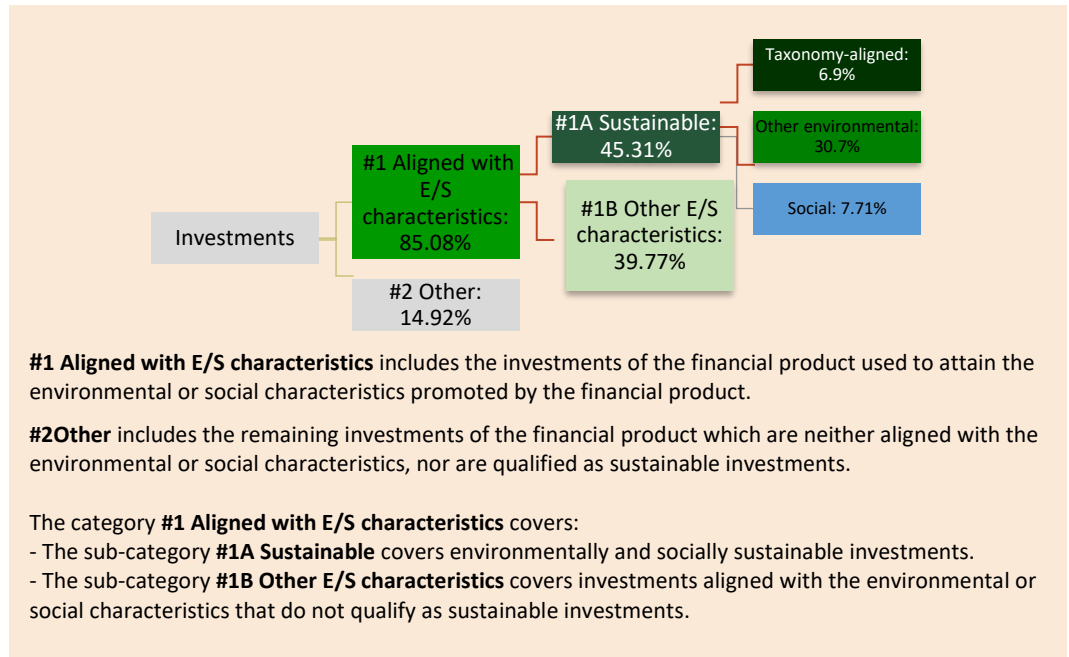
*The proportion of sustainable investments reached, at the end of the period considered, a 45.31% of the financial product assets under management.*

### ● What was the asset allocation?

*Some business activities may contribute to more than one sustainable sub-category (social, taxonomy aligned or other environmental). This can lead to situations, in which the sum of the sustainable sub-categories do not match to overall number of the sustainable category. Nonetheless, no double counting is possible on the sustainable investment overall category. As aforementioned, the Sub-Fund had invested 88.91% of its net assets in the Master Sub-Feeder Fund at the reporting date, while having the rest invested in ancillary liquid assets and/or in derivative instruments; therefore, the figures exposed in the asset allocation chart expresses the Master Sub-Fund figures adjusted by the Sub-Fund participation in the Master Sub-Fund.*

**Asset allocation** describes the share of investments in specific assets.





● **In which economic sectors were the investments made?**

NA



**To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?**

*The Master Sub-Fund's (and therefore, the Sub-Fund) Taxonomy-aligned investments included debt and/or equity investments in environmentally sustainable economic activities aligned with the EU-Taxonomy. Taxonomy-aligned data is provided by an external data provider. Taxonomy-aligned data was, only in rare cases, data reported by companies in accordance with the EU Taxonomy. The data provider derived Taxonomy-aligned data from other available equivalent company data.*

*The data were not subject to an assurance provided by auditors or a review by third parties. The data does not reflect any data in government bonds. As of today, there is no recognized methodology available to determine the proportion of Taxonomy-aligned activities when investing in government bonds.*

*The share of investments in sovereigns of the Sub-fund was 41.47% (46.64% for the Master Sub-Fund), being this figure calculated based on the look-through approach. As of the reporting date the reliable data on taxonomy-alignment was available only for the degree to which the aggregated investments were in environmentally sustainable economic activities based on turnover. Therefore, the corresponding values for operational and capital expenditures are displayed as zero.*

● **Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy<sup>1</sup>?**

Yes

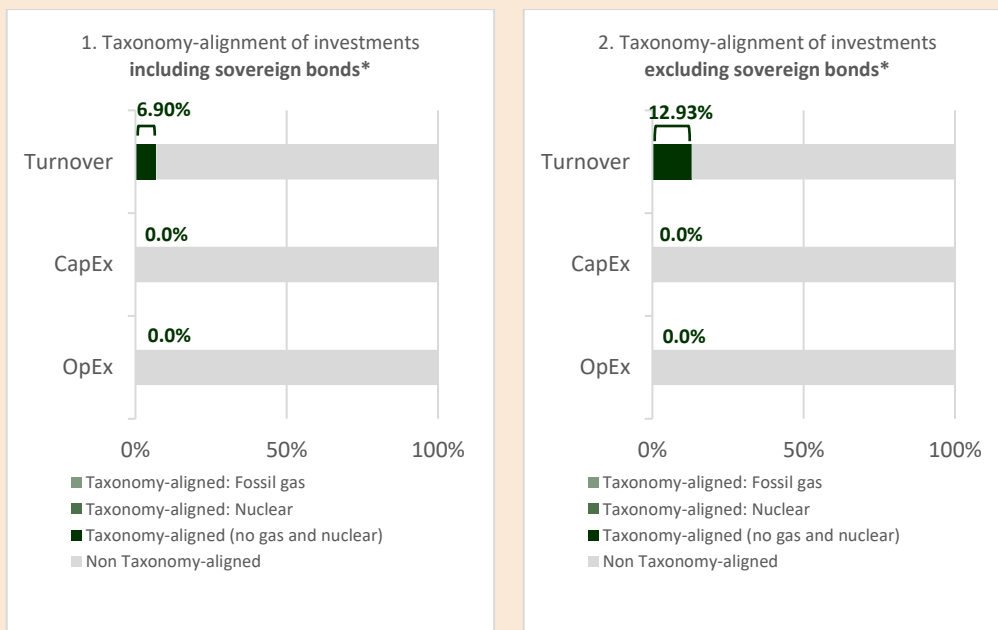
<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflects the "greenness" of investee companies today.
- **capital expenditure** (CapEx) shows the green investments made by investee companies, relevant for a transition to a green economy.
- **operational expenditure** (OpEx) reflects the green operational activities of investee companies.

In fossil gas
  In nuclear energy  
 No

**The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.**



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.

● **What was the share of investments made in transitional and enabling activities?**

The breakdown of investment shares by environmental objectives is currently not possible due to the lack of reliable taxonomy data. Non-financial undertakings will disclose information on the taxonomy-alignment of their economic activities in the form of pre-defined KPIs, indicating to which environmental objective activities contribute and whether it is a transitional or enabling economic activity, only starting from 01 January 2023 (financial undertakings - from 01 January 2024). This information is a mandatory basis for this evaluation.

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

NA.



**What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?**

The Sub-Fund's share of sustainable investments with an environmental objective not aligned with the EU Taxonomy was 30.7% (34.53% for the Master Sub-Fund).



**What was the share of socially sustainable investments?**

The Sub-Fund's share of sustainable investments with an environmental objective not aligned with the EU Taxonomy was 7.71% (8.67% for the Master Sub-Fund).





## What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?

*Under “#2 Other” investments (14.92% of the assets) were Cash, share of non-sustainable investments of Targets Funds, or Derivatives. Derivatives were used by the Master Sub-Fund for efficient portfolio management (including risk hedging) and/or investment purposes, and Target Funds to benefit from a specific strategy. There were no minimum environmental or social safeguards applied to these investments.*



## What actions have been taken to meet the environmental and/or social characteristics during the reference period?

*To ensure that the Master Sub-Fund fulfils its Environmental and Social characteristics, the binding elements were defined as assessment criteria. The adherence to binding elements was measured with the help of sustainability indicators. For each sustainability indicator, a methodology, based on different data sources, has been set up to ensure accurate measurement and reporting of the indicators. To provide for actual underlying data, the Sustainable Minimum Exclusion list was updated at least twice per year by the Sustainability Team and based on external data sources.*

*Technical control mechanisms have been introduced for monitoring the adherence to the binding elements in pre- and post-trade compliance systems. These mechanisms served to guarantee constant compliance with the environmental and/or social characteristics of the Sub-Fund. In case of identified breaches, corresponding measures were performed to address the breaches. Example of such measures are disposal of securities which are not in line with the exclusion criteria or engagement with the issuers. These mechanisms are an integral part of the PAI consideration process.*

*In addition, AllianzGI engages with investee companies. The engagement activities were performed only in relation to direct investments. It is not guaranteed that the engagement conducted includes issuers held by every Fund. The Investment Manager’s engagement strategy rests on 2 pillars: (1) riskbased approach and (2) thematic approach.*

*The risk-based approach focuses on the material ESG risks identified. The size of exposure is a material criterion for triggering the assessment. Significant votes against company management at past general meetings, controversies connected to sustainability or governance and other sustainability issues are in the focus of the engagement with investee companies.*

*The thematic approach focuses on one of the three AllianzGI’s strategic sustainability themes- climate change, planetary boundaries, and inclusive capitalism- or to governance themes within specific markets. Thematic engagement prioritizes the size of AllianzGI’s holdings and factors in the priorities of clients.*

## How did this financial product perform compared to the reference benchmark?

*As afore-mentioned, the Sub-Fund is actively managed without reference to a benchmark. However, the Master Sub-Fund uses a composite benchmark with 3 different methodologies:*

*It has assigned 1/3 BLOOMBERG MSCI Global Green Bond Total Return (hedged into USD) + 1/3 BLOOMBERG MSCI Global Corporate Sustainability Total Return (hedged into USD) + 1/3 J.P. MORGAN ESG Emerging Market Bond (EMBI) Global Diversified as composite benchmark*

*Those benchmarks are not completely aligned with the environmental and social characteristics promoted by the Master Sub-Fund as specific screening and exclusion criteria might deviate.*

### ● How does the reference benchmark differ from a broad market index?

NA.

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



- ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?***

NA.

- ***How did this financial product perform compared with the reference benchmark?***

NA.

- ***How did this financial product perform compared with the broad market index?***

NA.