

**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**

**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 include a list of socially sustainable economic activities. Sustainable investments with and environmental objective might be aligned with the Taxonomy or not.

**Product name:** MARCH INTERNATIONAL MARCH GREEN TRANSITION BOND  
**Legal entity identifier:** 22210071PF66GDW4QH85

## Environmental and/or social characteristics

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

☒ ☒ ☐ **Yes**

☒ ☐ ☒ **No**

☐ It made **sustainable investments with an environmental objective:** \_\_\_\_%

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It made **sustainable investments with a social objective:** \_\_\_\_%

☒ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of **52.05 %** of sustainable investments

☒ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ with a social objective

☐ It promoted E/S characteristics, but **did not make any sustainable investments**

(\*) Master Sub-Fund's data are not available on the full reference period of the AR (from 1/10/2023 until 31/12/2023)



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

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

*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 94.27% of its net assets in the Master Sub-Fund, while having the rest invested in ancillary liquid assets and/or in derivative instruments.*

*The Master Sub-Fund promoted environmental and/or social characteristics through the mobilization of capital markets towards the transition to a low carbon society, natural capital preservation and adaptation to climate change. The Sub-Fund invested primarily in Green Bonds financing climate change mitigation or adaptation projects or other environmental sustainability projects, in Debt Securities whose issuers were committed to future improvements in sustainability outcomes and in Debt Securities issued by sovereign issuers which have bindingly ratified the Paris Agreement.*

*In addition, sustainable minimum exclusion criteria were applied. A reference benchmark had been designated for the purpose of attaining the environmental and/or social characteristics promoted by the Master Sub-Fund.*

## ● 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 72.67% (therefore, 68.51% for the Sub-Fund). This comprises Green Bonds; and issuers explicitly committing 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 have a sufficient Freedom House Index score. Issuers taking part to the SBT initiative commit 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 Master Sub-Fund adhered to a minimum SRI Rating of 1 for Green Bonds & 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.*

*The following 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.*

...and compared to previous periods?

	2023	2022
% Assets promote environmental or social features versión – Master	96.48%	95.69%
% Assets promote environmental or social features versión – Sub-Fund	90.95%	85.08%

**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?**

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

Issuers not meeting the significance thresholds might have been engaged for a limited 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 investee and countries subject to social violations.

The following indicators were applied for sovereigns:

- a) GHG Intensity Investee
- b) Countries subject to social violations.

In case of securities which finance specific projects contributing to environmental or social objectives equivalent data at project level might be used to ensure that Sustainable Investments do not significantly harm any other environmental and/or social objective.

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

The Master Sub-Fund 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 which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do not 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 Master Sub-Fund's Management Company aims to reduce 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 Master Sub-Fund's 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 were considered within the Master Sub-Fund Investment Manager's investment process through the means of exclusions as described in the sustainability indicator section.

Moreover, the data coverage for the data required for the PAI indicators were heterogeneous. The data coverage related to biodiversity, water and waste is low and the related PAI indicators were 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 GHG Intensity PAI indicator were considered for sovereign issuers as sovereigns, which have not bindingly ratified the Paris Agreement, are not investable.

The following PAI indicators were considered:

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 and radioactive waste ratio
8. Violation of UN Global compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational enterprises
9. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises
10. Board gender diversity
11. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)
12. Investee countries subject to social violations



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

The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is: 2023. In the case of the Master Sub-Fund list the reference period is 01/10/2022 – 30/09/2023

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. The main investments are the investments with the largest weight in the financial product. The weight is calculated as an average over the four valuation dates. The valuation dates are the reporting date and the last day of every third month for nine months backwards from the reporting date.

Largest investments	Sector	% Assets	Country
PART. ALLIANZ GREEN TRANSITION BOND WT6	FUNDS	98.17%	LUXEMBOURG

During the reference period, the majority of the Master Sub-Fund's investments contained equity, debt and / or 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. The main investments are the investments with the largest weight in the financial product. The weight is calculated as an average over the four valuation dates. The valuation dates are the reporting date and the last day of every third month for nine months backwards from the reporting date. We must specify that the reference period for the Master Sub-Fund is 01/10/2022 – 30/09/2023.

For transparency purposes for the investments falling under the NACE sector «Public administration and defence; compulsory social security», the more detailed (sub-sector level) classification is displayed in order to differentiate between the investments which relate to sub-sectors «Administration of the State and the economic and social policy of the community», «Provision of services to the community as a whole» (which includes, among others, defence activities) and «Compulsory social security activities».

No direct sector allocation is possible for investments in target funds, as a target fund may invest in securities of issuers from different sectors.

Largest investments	Sector	% Assets	Country
UNITED MEXICAN STATES FIX 2.659% 24.05.2031	Administration of the State and the economic and social policy of the community (O84.1)	2.71%	MEXICO
REPUBLIC OF INDONESIA FIX 2.850% 14.02.2030	Administration of the State and the economic and social policy of the community (O84.1)	2.21%	INDONESIA
DOMINICAN REPUBLIC REGS FIX 4.875% 23.09.2032	Administration of the State and the economic and social policy of the community (O84.1)	1.91%	DOMINICAN REPUBLIC
FED REPUBLIC OF BRAZIL FIX 3.750% 12.09.2031	Administration of the State and the economic and social policy of the community (O84.1)	1.80%	BRAZIL
TREASURY BILL ZERO 19.10.2023	Administration of the State and the economic and social policy of the community (O84.1)	1.43%	USA
ROMANIA REGS FIX 3.000% 14.02.2031	Administration of the State and the economic and social policy of the community (O84.1)	1.32%	ROMANIA
REPUBLIC OF SOUTH AFRICA FIX 7.300% 20.04.2052	Administration of the State and the economic and social policy of the community (O84.1)	1.29%	SOUTH AFRICA
REPUBLIC OF PANAMA FIX 2.252% 29.09.2032	Administration of the State and the economic and social policy of the community (O84.1)	1.18%	PANAMA
HUNGARY FIX 1.750% 05.06.2035	Administration of the State and the economic and social policy of the community (O84.1)	1.13%	HUNGARY
COSTA RICA GOVERNMENT REGS FIX 6.125% 19.02.2031	Administration of the State and the economic and social policy of the community (O84.1)	1.01%	COSTA RICA
BENIN INTL GOV BOND REGS FIX 4.950% 22.01.2035	Administration of the State and the economic and social policy of the community (O84.1)	1.00%	BENIN
REPUBLIC OF SENEGAL REGS FIX 6.250% 23.05.2033	Administration of the State and the economic and social policy of the community (O84.1)	0.95%	SENEGAL
REPUBLIC OF COLOMBIA FIX 3.250% 22.04.2032	Administration of the State and the economic and social policy of the community (O84.1)	0.87%	COLOMBIA
EUROPEAN UNION NGEU FIX 2.750% 04.02.2033	CTIVITIES OF EXTRATERRITORIAL ORGANISATIONS AND BODIES	0.78%	SUPRANATIONALS
TREASURY BILL ZERO 01.08.2023	Administration of the State and the economic and social policy of the community (O84.1)	0.77%	USA



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

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

Sustainability-related investments refer to all investments that contribute to the achievement of the environmental and/or social characteristics within the scope of the investment strategy. The majority of the Sub-Fund's 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 are derivatives, cash and deposits, some Target Funds and 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 52.05% of the financial product assets under management. Compared to previous period:

	2023	2022
% Sustainable investments reached	52.05%	45.31%

#### What was the asset allocation?

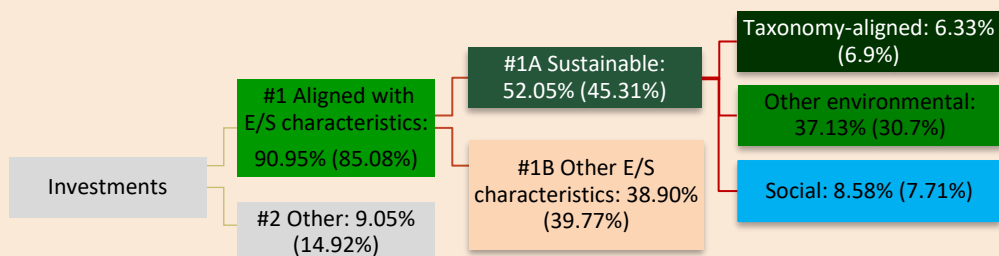
Some business activities may contribute to more than one sustainable sub-category (social, taxonomy aligned or other environmental). This can lead to situations, in which the sum of the sustainable sub-categories do not match to overall number of the sustainable category.

As aforementioned, the Sub-Fund had invested 94.27% of its net assets in the Master Sub-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.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**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



\*Information for FY2022 (in brackets)

**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

-The sub-category **#1A Sustainable** covers environmentally and socially sustainable investments.

-The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

Taxonomy-aligned activities are expressed as a share of:

- **Turnover**, reflecting the share of revenue from Green activities of investee companies

- **Capital expenditure (CapEx)**, showing the Green investments made by investee companies, e.g. for a transition to a Green economy.

- **Operational expenditure (OpEx)**, reflecting Green operational activities of investee companies.

#### In which economic sectors were the investments made?

The table below shows the shares of the Master Sub-Fund's investments in various sectors and subsectors at the end of the Master Sub-Fund's financial year. The analysis is based on the NACE classification of the economic activities of the company or issuer of the securities in which the financial product is invested. In case of the investments in target funds, a look-through approach is applied so that the sector and sub-sector affiliations of the underlying assets of the target funds are taken into account to ensure transparency on the sector exposure of the financial product.

The reporting of sectors and sub-sectors of the economy that derive revenues from exploration, mining, extraction, production, processing, storage, refining or distribution, including transportation, storage and trade, of fossil fuels as defined in Article 2, point (62), of Regulation (EU) 2018/1999 of the European Parliament and of the Council is currently not possible, as the evaluation includes only NACE classification level I and II. The fossil fuels activities mentioned above are considered aggregated with other activities under sub-sectors B5, B6, B9, C28, D35 and G46.

<b>NACE</b>	<b>Sector / Sub-sector</b>	<b>% Assets</b>
<b>B</b>	<b>MINING AND QUARRYING</b>	<b>0.43 %</b>
B08	Other mining and quarrying	0.43 %
<b>C</b>	<b>MANUFACTURING</b>	<b>18.62 %</b>
C10	Manufacture of food products	1.83 %
C11	Manufacture of beverages	1.90 %
C14	Manufacture of wearing appare	0.96 %
C17	Manufacture of paper and paper products	1.75 %
C19	Manufacture of coke and refined petroleum products	1.25 %
C20	Manufacture of chemicals and chemical products	0.65 %
C21	Manufacture of basic pharmaceutical products and pharmaceutical preparations	1.92 %
C22	Manufacture of rubber and plastic products	0.28 %
C26	Manufacture of computer, electronic and optical products	1.75 %
C27	Manufacture of electrical equipment	2.36 %
C28	Manufacture of machinery and equipment n.e.c.	1.65 %
C29	Manufacture of motor vehicles, trailers and semi-trailers	2.33 %
<b>D</b>	<b>ELECTRICITY, GAS, STEAM AND AIR CONDITIONING SUPPLY</b>	<b>13.20 %</b>
D35	Electricity, gas, steam and air conditioning supply	13.20 %
<b>E</b>	<b>WATER SUPPLY; SEWERAGE, WASTE MANAGEMENT AND REMEDIATION ACTIVITIES</b>	<b>0.68 %</b>
E38	Waste collection, treatment and disposal activities; materials recovery	0.68 %
<b>F</b>	<b>CONSTRUCTION</b>	<b>1.07 %</b>
F42	Civil engineering	1.07 %
<b>G</b>	<b>WHOLESALE AND RETAIL TRADE; REPAIR OF MOTOR VEHICLES AND MOTORCYCLES</b>	<b>0.74 %</b>
G47	Retail trade, except of motor vehicles and motorcycles	0.74 %
<b>H</b>	<b>TRANSPORTATION AND STORAGE</b>	<b>3.30 %</b>
H49	Land transport and transport via pipelines	3.11 %
H50	Water transport	0.18 %
<b>I</b>	<b>ACCOMMODATION AND FOOD SERVICE ACTIVITIES</b>	<b>0.24 %</b>
I56	Food and beverage service activities	0.24 %
<b>J</b>	<b>INFORMATION AND COMMUNICATION</b>	<b>4.27 %</b>
J58	Publishing activities	0.46 %
J60	Programming and broadcasting activities	0.46 %
J61	Telecommunications	0.97 %
J62	Computer programming, consultancy and related activities	2.17 %
J63	Information service activities	0.21 %
<b>K</b>	<b>FINANCIAL AND INSURANCE ACTIVITIES</b>	<b>15.58 %</b>
K64	Financial service activities, except insurance and pension funding	13.98 %
K65	Insurance, reinsurance and pension funding, except compulsory social security	0.85 %
K66	Activities auxiliary to financial services and insurance activities	0.75 %
<b>L</b>	<b>REAL ESTATE ACTIVITIES</b>	<b>1.87 %</b>
L68	Real estate activities	1.87 %
<b>M</b>	<b>PROFESSIONAL, SCIENTIFIC AND TECHNICAL ACTIVITIES</b>	<b>0.20 %</b>
M72	Scientific research and development	0.20 %
<b>O</b>	<b>PUBLIC ADMINISTRATION AND DEFENCE; COMPULSORY SOCIAL SECURITY</b>	<b>34.16 %</b>
O84	Administration of the State and the economic and social policy of the community	34.16 %
<b>U</b>	<b>ACTIVITIES OF EXTRATERRITORIAL ORGANISATIONS AND BODIES</b>	<b>0.89 %</b>
U99	Activities of extraterritorial organisations and bodies	0.89 %
<b>Other</b>	<b>NOT SECTORIZED</b>	<b>4.73 %</b>





**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 34.23% (36.31% for the Master Sub-Fund – calculated based on look-through approach).

As of the reporting date Taxonomy-aligned activities in this disclosure are based on share of turnover. Pre-contractual figures use turnover as its financial metric as a default in line with the regulatory requirements and based on the fact that complete, verifiable or up-to date data for CAPEX and/or OPEX as financial metric is even less available. Therefore, the corresponding values for CAPEX and OPEX 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

☐☐

In fossil gas

☐

In nuclear energy

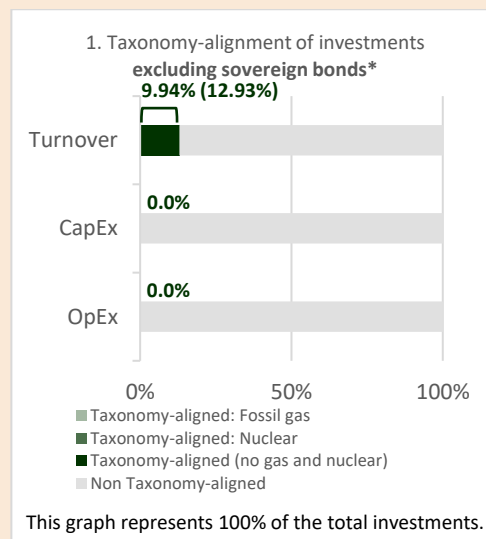
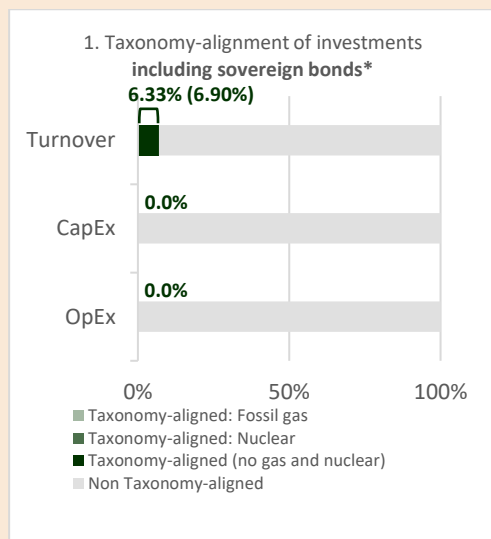
No



The breakdown of the shares of investments by environmental objectives in fossil gas and in nuclear energy is not possible at present, as the data is not yet available in verified form.

<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.

The two graphs below show in green the minimum percentage of investments that are 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.

\*\*Information for FY2022 (in brackets)

It is currently not possible to break down the shares of investments by environmental objectives, as the data is not yet available in a verified form.

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

The Master Sub-Fund's Investment Manager has not committed to a split of minimum taxonomy alignment into transitional, enabling activities and own performance. Currently the Master Sub-Fund's Investment Manager does not have complete, verifiable and up-to-date data to review all investments with respect to the technical assessment criteria for enabling and transitional activities as set out in the Taxonomy Regulation. Therefore, the corresponding values on the enabling and transitional activities are stated as 0%. Nonfinancial 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?

	2023	2022
Percentage of investments that were aligned with the EU Taxonomy	6.33%	6.9%



### **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 37.13% (39.39% for the Master Sub-Fund).*



... 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 socially sustainable investments?**

*The Sub-Fund's share of sustainable investments with a social objective was 8.58% (9.1% 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 which were included were Cash, share of non-sustainable investments of Targets Funds, or Derivatives (calculation was based on a look-through approach). Derivatives were used 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 (in case of direct investments in companies). 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 Master Sub-Fund Investment Manager's engagement strategy rests on 2 pillars: (1) risk based approach and (2) thematic approach.*

*The risk-based approach focuses on the material ESG risks identified. Engagements are closely related to the size of exposure. 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 engagements were identified based on topics deemed important for portfolio investments and were prioritized based on the size of AllianzGI's holdings and considering 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*

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

*Not Applicable (NA)*

#### **● 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?**

*Not Applicable (NA).*

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

*Not Applicable (NA).*

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

*Not Applicable (NA).*