MARCH GREEN TRANSITION BOND

Monthly Reporting | April 2024

Investment objective:

Globally diversified, multi-sector bond portfolio that supports environmental-friendly solutions and aspirations while seeking to minimize exposure to risks related to environmental pollution and climate change.

RISK AND REWARD PROFILE

← Typically lower rewards | Typically higher rewards →
← Typically lower risk | Typically higher risk →

1	2	**3**	4	5	6	7

The portfolio combines three segments (asset classes) from within the sustainable fixed income universe

• Finances initiatives that promote the "green" economy according to a taxonomy of eligible projects. • Transparency in the allocation of proceeds. Verifiable metrics.	• Identifies companies with credible decarbonisation pathways, leaders in the way towards net zero. • Supports bond issuers in their greenhouse gas reduction strategies.	• Seeks opportunities in emerging economies that are transforming themselves, by implementing a model for sustainable growth. • Avoids those sovereigns that are reluctant to change and with a poor ESG performance.

Fund Details

Name	**March International – March Green Transition Bond**
Management Company	FundRock Management Company, S.A
Investment Manager	March Asset Management SGIIC, S.A.U
Custodian Bank	RBC Investor Services Bank S.A
Launch Date	14/12/2021
Benchmark	The sub-fund is actively managed without reference to a benchmark**
EU SFDR[1] Category	Article 8
% of the portfolio invested in the Master fund[2] by month end	98.28
AUM (USD)	34.069.215,22

Portfolio Characteristics

Yield (YTW) in USD	5.07% (YTW excl. cash & deriv.)
Rating	BBB+
Duration	6.50
# of issues	200

Shareclass Information

Name	A EUR Hedged ACC	A USD ACC
ISIN	LU2389760575	LU2389760658
Type	Retail	Retail
Distribution Policy	Accumulation	Accumulation
Currency	EUR	USD
Management Fee	0.52%	0.52%
TER[3]	1.25%	1.25%

* SBTi: Science-based Target initiative.

** For further information on the Master Fund's benchmarks, Allianz Green Transition Bond Fund, managed by Allianz Global Investors GmbH, you can check the Prospectus which you can find on: https://lu.allianzgi.com/documents/UF-LU1997244873-VPE-EN-AGIFENVPSVVS-31122021

1 SFDR: EU Sustainable Finance Disclosure Regulation. Information accurate at time of publishing.

2 The Master Fund is Allianz Green Transition Bond Fund, managed by Allianz Global Investors GmbH.

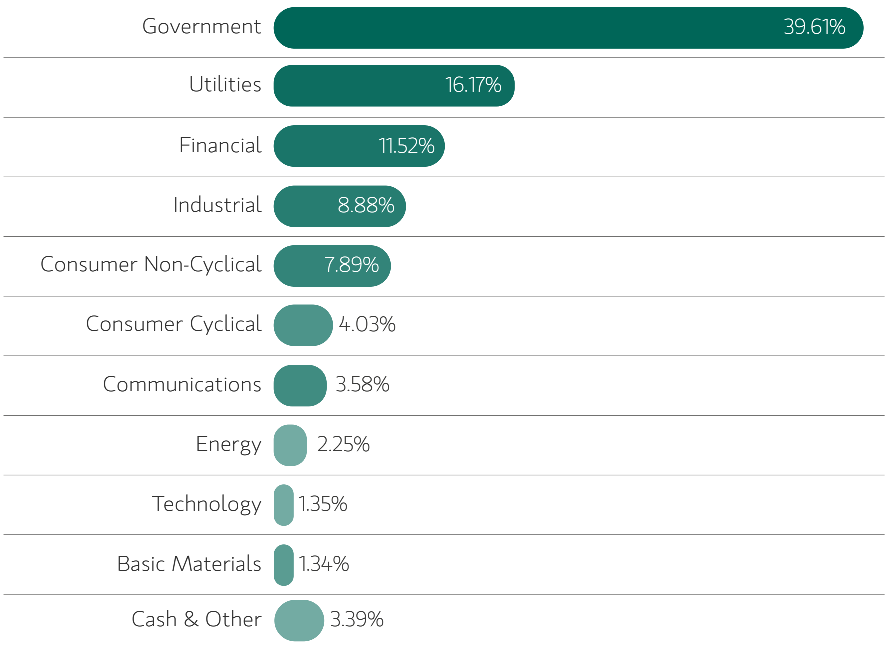
3 TER generally: Total cost (except transaction costs) charged to the fund during the last financial year. TER for funds-of-funds: The costs incurred by the fund itself (except transaction costs). Since the fund held other investment units ("target funds") in the reporting period, further costs, charges and fees may have been incurred at the level of the target fund.

Allianz Global Investors

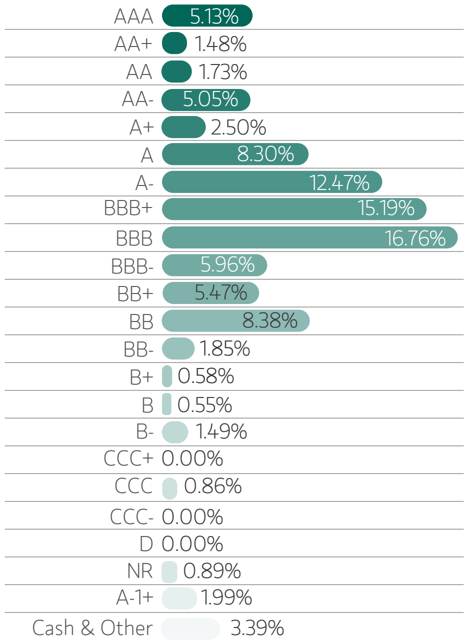
BancaMarch CRECER JUNTOS

Portfolio structure

Sectors



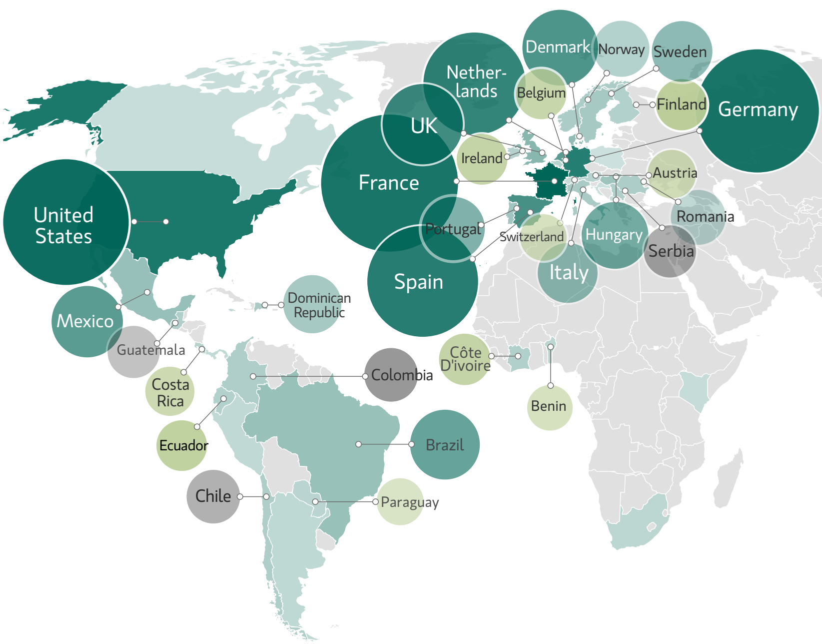
Rating breakdown (%)



Top Holdings by bucket

Global Green Bonds	Weight	SBTi Corporate	Weight	EM Government Bonds	Weight
EDP Servicios Fin ESP SA Emtn Fix 3.500% 16.07.2030	0.91%	Empresa Nacional Del Pet Regs Fix 6.150% 10.05.2033	0.73%	United Mexican States Fix 2.659% 24.05.2031	2.36%
Republic of Austria Fix 2.900% 23.05.2029	0.79%	La Banque Postale Emtn Fix to Float 5.500% 05.03.2034	0.64%	Dominican Republic Regs Fix 4.875% 23.09.2032	2.03%
Buoni Poliennali Del Tes 8Y Fix 4.000% 30.10.2031	0.77%	Bertelsmann SE & Co KGAA Fix 3.500% 29.05.2029	0.63%	Republic of Guatemala Regs Fix 6.600% 13.06.2036	1.59%
E.ON SE Fix 3.375% 15.01.2031	0.76%	Heineken NV Emtn Fix 3.875% 23.09.2024	0.63%	Ivory Coast Regs Fix 7.625% 30.01.2033	1.54%
Neder Waterschapsbank Fix 3.000% 20.04.2033	0.76%	LVMH Moet Hennessy Vuitt Fix 3.375% 21.10.2025	0.62%	Fed Republic of Brazil Fix 6.250% 18.03.2031	1.43%
Total	4.00%	Total	3.25%	Total	8.95%

Country/Location



France	10.47%
United States	8.88%
Germany	8.43%
Spain	6.89%
Netherlands	5.88%
United Kingdom	3.65%
Denmark	3.25%
Mexico	2.92%
Brazil	2.82%
Hungary	2.54%
Portugal	2.37%
Sweden	2.15%
Italy	2.05%
Dominican Rep.	2.03%
Norway	1.86%
Romania	1.78%
Colombia	1.69%
Chile	1.68%
Serbia	1.60%
Guatemala	1.59%
Côte D'ivoire	1.54%
Finland	1.50%
Ecuador	1.49%
Ireland	1.43%
Belgium	1.39%
Costa Rica	1.30%
Austria	1.22%
Paraguay	1.08%
Benin	1.01%
Indonesia	1.01%
Cash & Other	12.53%

Monthly commentary

Market Review

Global bonds moved lower in April as robust US economic growth and better than expected activity data in Europe resulted in sovereign bond yields drifting higher through the month. Interest rate markets further priced out expectations of near-term rate cuts from the US Federal Reserve, with barely one rate cut now priced before year-end. Geopolitical risks also continued to rise in the Middle East; oil prices edged higher, presenting a challenge to some of the more benign inflation forecasts for this year. 10-year US Treasury yields ended the month 48bp higher at 4.68% while 10-year Bund yields ended the month 29bp higher at 2.58%. In general, corporate bonds outperformed government debt, with high-yield bonds holding up the best.

Corporate bond markets are still technically buoyant, thanks to constant positive flows into the asset class. At the same time, we have just entered the period of publication of the first quarter results. With a few exceptions, these results were quite good and better than analysts' expectations, both in the financial and non-financial segments. In terms of spread, while credit spreads widened mid-month, they narrowed again in the closing days of April to end the month slightly tighter.

Emerging market bonds fell over April. US dollar-denominated bonds declined the most, reflecting the sharp rise in US Treasury yields over the month. Local currency bond returns were flat in local currency terms, but the strengthening US dollar meant returns in USD terms were negative.

Performance Review and Portfolio Activities

In April, Allianz Green Transition Bond outperformed the benchmark[1], while posting a negative absolute return on a gross-of-fee basis.

The DM sleeve of the Green Transition Bond fund underperformed its benchmark in April. We benefitted from our underweight on Treasuries (no exposure to UK and Netherlands government green bonds and underweight on France), our overweight on Consumer Non-cyclical (off-benchmark exposure to SEB, overweights on Heineken and Carlsberg) and our overweight on Communications (overweights on Telefonica, Bertelsmann and Pearson). Our main sectorial detractors were our underweight on Banks (overweights on Credit Mutuel Arkea, Santander and Skandinaviska Enskilda Banken), Government-owned, no guarantee (overweight on Nederlandse Waterschapsbank and ESB, off benchmark exposure to Deutsche Bahn) and our slight underweight on Consumer Cyclical (overweight on Michelin and off benchmark exposures to Valeo and Forvia).

We participated notably in the following two new issues on the green bond bucket:

- Valeo, the French automotive company, which will finance the development and production of components for electric vehicles, as well as for improvements in the efficiency of industrial processes with LED lighting, heat recovery compressors and electric ovens
- Terna, the Italian electric company, whose proceeds will be used to finance extensions and energy-efficiency improvements to the grid infrastructure, with a particular focus on the regions of Italy more exposed to severe climatic events

On the secondary market, we bought some bonds to increase the exposure of the fund to SBTi issuers. This allowed us to increase the sectorial diversification of the fund. We invested in Air Liquide (Chemicals), ASML (Semiconductors), Carrefour (Food), Dell (Computers) and Forvia (Auto Parts&Equipment).

We also sold some bonds that were less attractive on a relative value basis, such as Telefonica, Assicurazioni Generali, Verizon, and Landesbank Hessen-Thueringen Girozentrale, among others.

The EM sleeve of the Green Transition Bond fund outperformed its benchmark in April, positively contributing to the overall portfolio return. All regions performed negatively over the month, with Asia performing the worst, followed by Europe. Therefore, our underweight in Asia generated alpha.

In Latin America, our overweight in Ecuador and no exposure to Uruguay were large contributors to relative returns over the month. In Ecuador, the government announced in late April that the country has reached a staff-level agreement with the International Monetary Fund (IMF) for a four-year loan of approximately $4 billion. While the agreement still requires IMF board approval, if successfully passed,

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it could lead to an easing of financing pressures in the medium term, with an estimated reduction of the financing gap by around $1 billion on average every year for the next four years. Bonds traded with a positive tone in the aftermath of the announcement, and our long positions added alpha. Ecuador is one of the best performing hard currency markets YTD with index returns of 58%.

Over in Africa, our overweight in Ivory Coast proved one of the largest detractors of relative returns. Ivory Coast is amongst the strongest sovereign credits in Africa, with good macroeconomic fundamentals. However, the bonds were not spared from the global bond selloff, and our overweight cost performance during the month.

Over to Eastern Europe, our zero exposure in Ukraine added to relative returns. Bonds have had a particularly poor month despite the US finally agreeing to provide $61bn of assistance for the war effort. Part of that assistance will be in the form of loans rather than grants – therefore adding to Debt/GDP. Ukraine needs to restructure its debt obligations. A 2-year agreement to postpone debt payments and lower coupons expires in August. The war continues to drag on and Russia is seemingly gaining the advantage – posing significant economic downside risks in an already bad macroeconomic situation. While Ukrainian bonds trade between 25 to 33 cents on the dollar, depending on maturity, bond investors are likely to face significant haircuts in the upcoming restructuring, with ultimate recoveries possibly even below these already very distressed levels. Ukrainian bonds are down 10% on the month – the worst performing country in the index.

Over to the Middle East, our underweight in the region and in particular, our zero holding in Saudi Arabia, United Arab Emirates, and Qatar, boosted alpha, as these high quality bonds weakened in line with higher global bond yields.

In regards to new issuance, the calendar was lighter in April after a bumper first quarter. We did not participate in any new issues, but expect more opportunities in the coming months as issuers address upcoming maturities and take advantage of easier funding conditions.

Outlook

We consider the market to be at fair value, and strong fundamentals across most sectors and healthy demand for attractive “all in” yields are supportive of our moderate credit overweight. Indeed, even if volatility increased momentarily during April, it has been quickly contained. Primary markets should remain active in the coming weeks as corporates seek to refinance their short-dated debts in a decent new issue environment. Liquidity is also likely to be well sustained. Overall we continue to see ample opportunities to generate alpha through security selection. With the divergences between central banks’ strategies in Europe and the US becoming more evident, the markets will closely monitor the evolving dynamics between European and US risky assets.

EM bonds continue to perform strongly in a volatile market environment, with improving fundamentals reflected in tightening spreads, and attractive carry anchoring returns. We believe that EM assets still have relatively strong fundamentals, and they remain an attractive part of the fixed income universe, which is under-owned by institutional investors. In addition, we believe the Fed is already at the so-called “pivot”, meaning the point of shifting from interest rate rises to cuts. If history is a guide, emerging market sovereign bonds tend to perform well in such an environment. Therefore, we believe a period of EM outperformance lies ahead for emerging market bonds.

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Opportunities

+ Interest income from bonds, capital gains opportunities on declining market yields
+ Enhanced return potential through addition of emerging markets and high-yield bonds
+ Prospect of positive impact on the environment through the Green Transition Strategy
+ Currency gains possible in unhedged share classes
+ Broad diversification across numerous securities
+ Potential additional returns from security analysis and active management

Risks

– Interest rates vary, bonds suffer price declines on rising market yields
– Increased risk of price fluctuations, market illiquidity and losses of emerging markets and high-yield bonds
– Positive impact on the environment through the Green Transition Strategy not guaranteed, this approach additionally narrows the investment universe.
– Currency losses possible in unhedged share classes
– Limited participation in the potential of individual securities
– Success of single security analysis and active management not guaranteed

[1] Benchmark: 1/3 JP Morgan J-ESG EMBI Global Diversified USD, 1/3 Bloomberg MSCI Global Corporate Sustainability Index USD Hedged, 1/3 Bloomberg MSCI Global Green Bond Index USD Hedged

Source: IDS, PICO, Bloomberg

THIS IS A MARKETING COMMUNICATION

Past performance is not a reliable indicator of future results. If the currency in which the past performance is displayed differs from the currency of the country in which the investor resides, then the investor should be aware that due to the exchange rate fluctuations the performance shown may be higher or lower if converted into the investor's local currency.

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March Green Transition Bond is a sub-fund of March International, an open-ended investment company with variable share capital organised under the laws of Luxembourg. The sub-fund is a feeder sub-fund which invests at least 85% of its net assets in Allianz Green Transition Bond, a sub-fund of Allianz Global Investors Fund SICAV (the "Master Fund") , an open-ended investment company with variable share capital organised under the laws of Luxembourg. For further information on the Master Fund, KIID is available at: https://regulatory.allianzgi.com/es-ES/B2C/Spain-ES/funds/mutual-funds/allianz-green-transition-bond-wt6-usd.

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