

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: Emerging Markets Bond ESG Fund

Legal entity identifier: IU161HZ5QHJ5X3UAQ421

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?

☒ ☒ ☐ Yes

☐ 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: ____%

☒ ☐ ☒ No

☒ It promoted Environmental/Social (E/S) characteristics and while it did not have as its objective a sustainable investment, it had a proportion of 25% 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**

** While the Fund did invest in sustainable investments with a social objective during the period covered by this report, it has not made any commitment to invest in this category of investments and consequently any such investments acquired by the Fund should be considered incidental in nature.

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



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

The Fund’s approach to sustainable investing is through the promotion of environmental and social characteristics (while the Fund does not have sustainable investment as its objective, it seeks to invest a portion of its assets in sustainable investments).

As detailed below, the sustainable investments held by the Fund during the reference period contributed to the environmental objectives of climate change adaptation and climate change mitigation.

Those derivatives held by the Fund during the period were screened against the exclusion policy implemented by the Investment Advisor and accordingly were used to promote the environmental and social characteristics promoted by the Fund.

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

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

The Fund's sustainability-related impact was measured through the Investment Advisor's implementation of its issuer engagement policy, exclusion strategy and investment in certain ESG Fixed Income Securities (as further described in the section of the Prospectus entitled "**ESG Fixed Income Securities**") which enable issuers to raise capital to fund projects with positive environmental benefits as well as the debt of issuers demonstrating leadership in addressing risk and opportunities around climate related change.

For example, the Fund's screening process resulted in the exclusion of certain sectors including issuers involved in coal and oil. In addition, as part of the Fund's screening process, the Investment Advisor referred to globally accepted norms, such as, the UN Global Compact Principles and the UN Guiding Principles on Business and Human Rights, where appropriate.

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

The Fund's underlying sustainable investments primarily contributed to the environmental objectives of climate change mitigation and climate change adaptation during the reference period which was achieved in a variety of ways, including by way of example, investment in ESG Fixed Income Securities (as further described in the section of the Prospectus entitled "**ESG Fixed Income Securities**") including green bonds.

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

The Fund's sustainable investments were assessed to seek to ensure that they do not cause significant harm to any environmental or social objective. This assessment was carried out by the Investment Advisor's application of various adverse sustainability indicators, including but not limited to, exposure to coal and oil and greenhouse gas emissions.

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

Securities were selected according to the Investment Advisor's internal sustainability screening process. This screening process includes consideration of adverse impacts on sustainability factors including, exposure to the coal and oil sector and exposure to controversial weapons. The Investment Advisor sought to mitigate principal adverse impacts including, for example, through issuer engagement and exclusion screening.

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

The Investment Advisor satisfied itself that sustainable investments were aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights through the use of UNGC (UN Global Compact) controversies screening along with other tools including ESG scores and research as part of the investment due diligence process.

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.

The EU Taxonomy sets out a “do no significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.

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

Principal adverse impacts are described as those impacts of investment decisions that “result in negative effects on sustainability factors” while sustainability factors are defined as “environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters”.

The Fund considered the principal adverse impacts of investment decisions on sustainability factors (including but not limited to, exposure to the coal and oil and greenhouse gas emissions and exposure to controversial weapons) during the reference period.

The Investment Advisor sought to consider principal adverse impacts as part of the investment process and used a combination of methods to help mitigate principal adverse impacts including issuer engagement and exclusions.



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: as at 31 December 2022

Largest investments	Sector	% Net Assets	Country
U.S. Treasury Bonds 3.250% due 15/05/2042	Government Related	2.34%	United States
U.S. Treasury Notes 3.125% due 31/08/2029	Government Related	1.44%	United States
Israel Treasury Bills 0.531% due 08/02/2023	Net Other Short Duration Instruments	1.34%	Israel
Argentina Government International Bond 3.500% due 09/07/2041	Emerging Markets	1.26%	Argentina
Ecuador Government International Bond 2.500% due 31/07/2035	Emerging Markets	1.20%	Ecuador
Dominican Republic Government International Bond 5.875% due 30/01/2060	Emerging Markets	1.12%	Dominican Republic
Israel Government International Bond 1.500% due 30/11/2023	Emerging Markets	1.00%	Israel
Romania Government International Bond 2.124% due 16/07/2031	Emerging Markets	0.94%	Romania
U.S. Treasury Bonds 3.375% due 15/08/2042	Government Related	0.92%	United States
Israel Government International Bond 0.150% due 31/07/2023	Emerging Markets	0.89%	Israel

Largest investments	Sector	% Net Assets	Country
Israel Treasury Bills 1.837% due 02/08/2023	Net Other Short Duration Instruments	0.86%	Israel
Ivory Coast Government International Bond 5.250% due 22/03/2030	Emerging Markets	0.72%	Ivory Coast
Kazakhstan Government International Bond 6.500% due 21/07/2045	Emerging Markets	0.68%	Kazakhstan
Turkey Government International Bond 5.750% due 11/05/2047	Emerging Markets	0.68%	Turkey
Israel Treasury Bills 1.755% due 05/07/2023	Net Other Short Duration Instruments	0.67%	Israel

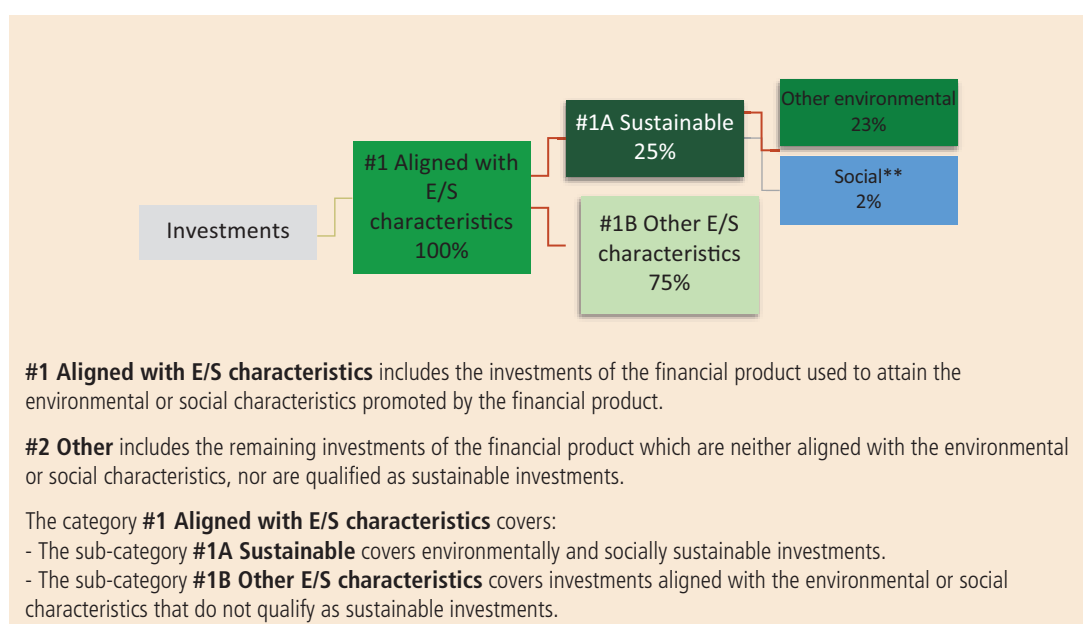
For the purposes of compiling the information disclosed above, the investments of the Fund as at 31 December 2022 have been used.



What was the proportion of sustainability-related investments?

Information on the proportion of the Fund which promoted environmental/social characteristics and the proportion of the Fund invested in sustainable investments as at 31 December 2022 is provided below.

What was the asset allocation?



As at 31 December 2022, 100% of the Fund's investments were considered to promote environmental and social characteristics because all of the Fund's investments were screened against its exclusion strategy.

As at that date, the Fund invested 25% of its net assets in sustainable investments. 23% of net assets were invested in sustainable investments which contributed to an environmental objective.

**The Fund also held 2% of net assets in sustainable investments which contribute to a social objective. It should be noted that the Fund has not made any commitment to invest in sustainable investments which contribute to a social objective and such investments should be considered incidental in nature.

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

Sector	% of Net Assets
Emerging Markets	65.23%
US Government Related	18.38%
Other	11.84%
Investment Grade Credit	9.76%
Securitized	0.44%
High Yield Credit	0.44%
Net Other Short Duration Instruments	-1.73%
Non-USD Developed	-4.37%

For the purposes of compiling the information disclosed above, the investments of the Fund as at 31 December 2022 have been used.



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

As at 31 December 2022, the percentage of investments that were aligned with the EU Taxonomy is 0%. This figure has not been subject to an assurance provided by an auditor nor has it been reviewed by any other third party.

● **Did the financial product invest in fossil gas and / or nuclear energy related activities that comply with the EU Taxonomy¹?**

☐

Yes:

☐

In fossil gas

☐

In nuclear energy

☒

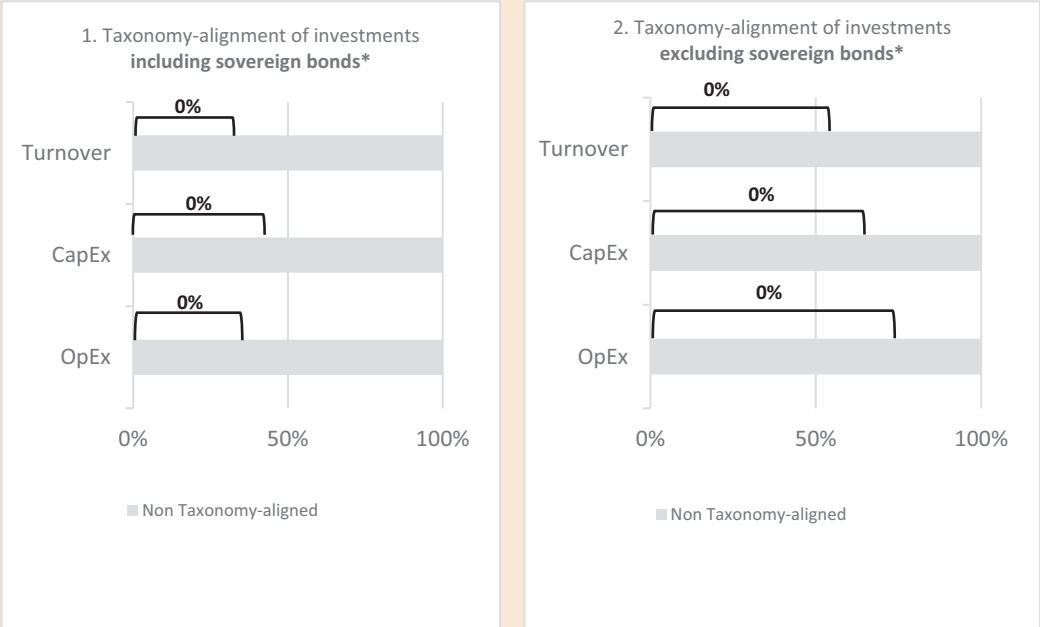
No

¹ 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** 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.

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

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

As at 31 December 2022, the proportion of investments of the Fund in transitional and enabling activities during the reference period was 0%.

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 sustainable investments with an environmental objective not aligned with the EU Taxonomy?

The Fund does not commit to invest in investments aligned with the EU Taxonomy but does commit to invest in sustainable investments which contribute to an environmental objective. As at 31 December 2022, the proportion of sustainable investments of the Fund which contributed to an environmental objective which were not assessed against the EU Taxonomy and therefore categorised as “Other Environmental” investments above is 23%. For further information with respect to sustainability-related data availability and data challenges please refer to <https://europe.pimco.com/en-eu/our-firm/global-advisors-ireland>.



What was the share of socially sustainable investments?

As noted above, the Fund held 2% of net assets in sustainable investments which contributed to a social objective during the period covered by these financial statements. As the Fund has not made any commitment to invest in sustainable investments which contribute to a social objective, such investments should be considered incidental in nature.



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

As noted above, at 31 December 2022, 100% of the Fund’s investments were considered to promote environmental and social characteristics because all of the Fund’s investments were screened against its exclusion strategy. As outlined in greater detail above, at that date, the Fund invested 25% of its net assets in sustainable investments.

As a result, as at 31 December 2022 there were no investments within the portfolio which were not aligned with the environmental and social characteristics promoted by the Fund.



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

During the reference period, the Investment Advisor engaged with companies and issuers on material climate related matters and sought to encourage companies to align to the Paris Agreement, adopt science-based targets for carbon emissions reduction and/or broadly advance their sustainability commitment.