

ANNEX V

Template periodic disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

Product name: PIMCO Climate Bond Fund

Legal entity identifier: 549300KBV832SKE8DW37

## Sustainable investment objective

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

**Yes**

**It made sustainable investments with an environmental objective: 81%**

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: 1%\*\***

\*\* 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.

**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 \_\_\_% 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**

**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.



### To what extent was the sustainable investment objective of this financial product met?

During the period, the Fund sought to seek optimal risk adjusted returns, consistent with prudent investment management, while giving consideration to long term climate related risks and opportunities.

As further detailed below in the section entitled "Asset Allocation", the Fund invested in sustainable investments which comprised of 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 and which contributed to the environmental objectives of climate change adaptation and climate change mitigation.

**Sustainability indicators** measure how the sustainable objectives of this 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 ESG Fixed Income Securities (as further described in the section of the Prospectus entitled "**ESG Fixed Income Securities**").

For example, the Fund's screening process resulted in the exclusion of certain sectors including issuers involved in the fossil fuel related sectors. In addition, 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.

**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.

### ● **How did the sustainable investments not cause significant harm to any 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 sustainable investment objective. This assessment was carried out by the Investment Advisor's application of various adverse sustainability indicators, including but not limited to, exposure to the fossil fuel related sectors 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 included consideration of adverse impacts on sustainability factors including exposure to the fossil fuel related sectors. 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.



### **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 fossil fuel related sectors and greenhouse gas emissions) 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
Kreditanstalt fuer Wiederaufbau 1.375% due 07/06/2032	Government Related	4.88%	Germany
Kreditanstalt fuer Wiederaufbau 2.000% due 15/11/2029	Government Related	3.55%	Germany
European Investment Bank 1.500% due 15/06/2032	Government Related	1.78%	Supranational
Canada Government International Bond 2.250% due 01/12/2029	Government Related	1.51%	Canada
United Kingdom Gilt 0.875% due 31/07/2033	Government Related	1.14%	United Kingdom
Verizon Communications, Inc. 1.500% due 18/09/2030	Investment Grade Credit	1.10%	United States
Austria Treasury Bills 1.267% due 23/02/2023	Net Other Short Duration Instruments	0.98%	Austria
NTT Finance Corp. 4.239% due 25/07/2025	Investment Grade Credit	0.97%	Japan
BNP Paribas S.A. 0.500% due 04/06/2026	Investment Grade Credit	0.97%	France
ABN AMRO Bank NV 2.470% due 13/12/2029	Investment Grade Credit	0.94%	Netherlands
UniCredit SpA 5.850% due 15/11/2027	Investment Grade Credit	0.82%	Italy
HAT Holdings LLC 3.750% due 15/09/2030	High Yield Credit	0.81%	United States
Compass Group PLC 4.375% due 08/09/2032	Investment Grade Credit	0.75%	United Kingdom
India Green Energy Holdings 5.375% due 29/04/2024	Emerging Market External	0.69%	Mauritius
ING Groep NV 4.875% due 16/05/2029	High Yield Credit	0.69%	Netherlands

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

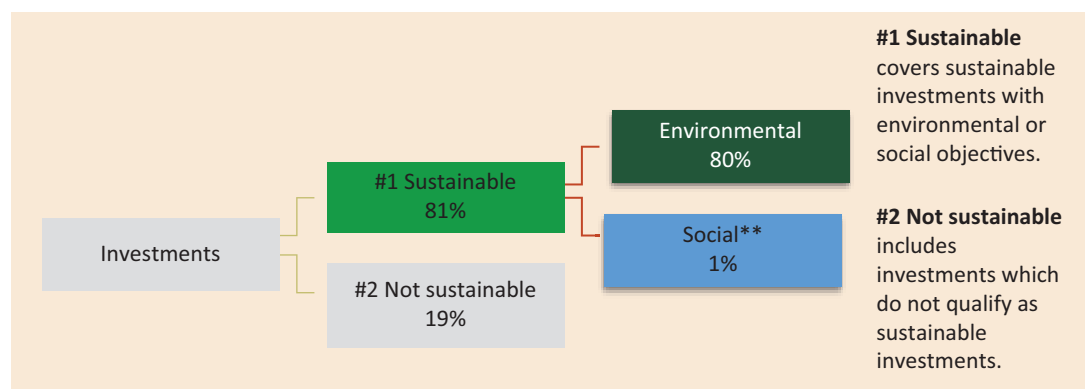


### What was the proportion of sustainability-related investments?

Information on the proportion of the Fund which was invested in sustainable investments as at 31 December 2022 is provided below.

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

### ● What was the asset allocation?



As at 31 December 2022, the Fund was wholly invested in sustainable investments save for those investments which were held for other purposes such as liquidity or hedging.

As at that date, the Fund invested 81% of its net assets in sustainable investments. 80% of net assets were invested in sustainable investments which contributed to an environmental objective.

\*\* The Fund also held 1% 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.

The Fund invested 19% of its net assets in investments of the Fund which did not constitute "sustainable investments" which were used for overall risk management such as liquidity or hedging.

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

Sector	% of Net Assets
Investment Grade Credit	46.06%
Government Related	34.80%
High Yield Credit	8.19%
Emerging Market External	5.19%
Net Other Short Duration Instruments	4.09%
Securitized	1.35%
Municipals	0.25%
Covered Bonds and Pfandbriefe	0.07%

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 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.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to 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.

Taxonomy-aligned activities are expressed as a share of:

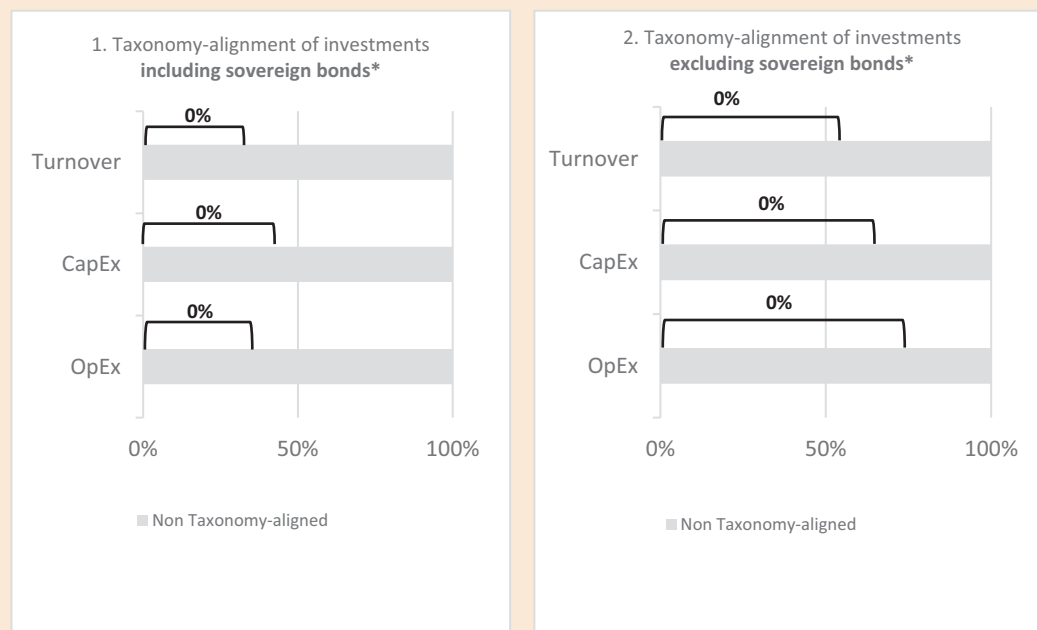
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

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

- Yes:**
  - In fossil gas
  - In nuclear energy
- No**

<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 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 the EU Taxonomy.



### What was the share of sustainable investments with an environmental objective that were 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 80%. 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, as at 31 December 2022, the Fund held 1% in sustainable investments which contribute to a social objective during the period covered by the 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 “not sustainable”, what was their purpose and were there any minimum environmental or social safeguards?

As noted above, as at 31 December 2022, the Fund was wholly invested in sustainable investments save for those investments which were held for other purposes such as liquidity or hedging. As described in greater detail above, at that date, the Fund invested 81% of its net assets in sustainable investments.

The proportion of the investments of the Fund which did not constitute “sustainable investments” were used for overall risk management such as liquidity or hedging. Issuers and derivatives used for the attainment of such purposes were subject to ESG-related screening that seek to ensure the meeting of minimum relevant environmental and/or social safeguards as applicable.



### What actions have been taken to attain the sustainable investment objective 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.