

onemarkets

# PIMCO Global Balanced Allocation

## Website Disclosure – Summary document

### 1. NO SUSTAINABLE INVESTMENT OBJECTIVE

This financial product promotes environmental or social characteristics, but does not have as its objective sustainable investment.

### 2. THE ENVIRONMENTAL AND / OR SOCIAL CHARACTERISTICS PROMOTED BY THE FUND

The Sub-Fund will promote environmental characteristics by actively engaging with companies and issuers on material climate and biodiversity related matters, which may include encouraging companies to align to the Paris Agreement, adopt science-based targets for carbon emissions reduction and/or broadly advance their sustainability commitments.

### 3. INVESTMENT STRATEGY

PIMCO will exclude companies that generate a specific % of revenues coming from pre-defined sectors considered as pivotal to avoid in order to meet the sub-fund sustainable framework. In addition to the sectors detailed under the exclusion framework, the screening process may exclude further sectors deemed by the Investment Manager to be harmful to the environment. The sub-fund assesses “good governance” by reference to alignment with industry-established practices and norms

### 4. PROPORTION OF INVESTMENTS

The fund applies exclusion criteria to all of its holdings and as a result invests 51% of its net assets in investments that are aligned with the promoted environmental and social characteristics.

The Sub-Fund does not have any sustainable investments’ minimum limit.

### 5. MONITORING OF ENVIRONMENTAL OR SOCIAL CHARACTERISTICS

Structured Invest (SI) monitors the handling and monitoring of sustainability risks. Among the different risks deriving from ESG matters the risks for a company which arise climate change poses a significant risk to the long-term financial sustainability of a company. Furthermore, PIMCO will continue to assess market conditions in order to ensure the Sub-Fund is up to date with relevant ESG and Sustainability Regulations.

### 6. METHODOLOGIES

Providing objectives to PIMCO's ESG Engagement framework is the first step to measure the level of success of our activity. To that end, rather than focus on certain ESG issues, PIMCO has established a priority to develop a methodology that demonstrates measurement and the progress ESG engagement. The proposed approach seeks to include clear milestones, metrics and actionable steps to quantify issuer performance.

### 7. DATA SOURCES AND PROCESSING

Analysts review their companies’ ESG performance based on information available in public filings, recent news and controversies, as well as through regular engagement with company management teams to assign separate and proprietary scores for “E”, “S”, and “G.” The Investment Manager currently utilises MSCI as the primary external provider of

## WEBSITE DISCLOSURE

ESG ratings and research, it complements this external sourcing with the development of a forward-looking proprietary scoring methodology that covers the broad fixed income universe.

### **8. LIMITATIONS TO METHODOLOGIES AND DATA**

There is a lack of standardised taxonomy of ESG evaluation methodology, as there are not yet commonly agreed principles and metrics for assessing the sustainable characteristics of investments. In evaluating a security based on sustainable characteristics, the Investment Manager is dependent upon information and data sources provided by internal research teams and complemented by external ESG rating providers, which may be incomplete, inaccurate or unavailable. Nevertheless, companies are regularly monitored and assessed.

### **9. DUE DILIGENCE**

In terms of continuous due diligence, PIMCO has developed a proprietary scoring methodology that covers the broad fixed income universe and helps to keep updated the ESG assessment of the underlying investments in the Sub-fund. In fact, PIMCO's enhanced research process incorporates a detailed ESG asset assessment that complements the traditional ratings assigned by analysts.

### **10. ENGAGEMENT POLICIES**

Engagement is prioritised where financial exposure, influence and thematic exposure are the greatest.

### **11. DESIGNATED REFERENCE BENCHMARK**

No specific index has been designated as a benchmark to determine the alignment with the promoted environmental and/or social safeguards.