



German financial groups financing producers of cluster munitions - update

A research paper prepared for Urgewald

Profundo
economic research

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Contents

Summary	i
Introduction.....	1
Chapter 1 Methodology	2
Chapter 2 DekaBank	3
2.1 Subsidiaries.....	3
2.2 Shares.....	3
2.3 Bonds.....	5
Chapter 3 Deutsche Bank	6
3.1 Subsidiaries.....	6
3.2 Shares.....	6
3.3 Bonds.....	11
3.4 Share issuances.....	12
3.5 Bond issuances.....	13
3.6 Loans	13
Chapter 4 Unicredit/HVB	14
4.1 Subsidiaries.....	14
4.2 Shares.....	14
Chapter 5 Allianz.....	18
5.1 Subsidiaries.....	18
5.2 Shares.....	18
Appendix 1 References	22

Summary

This report provides an overview of the involvement of four German banking groups in the financing of six producers of cluster munitions since January 2008. This report is an update of the report “German banks and cluster munitions” dated November 2010. The following banking groups are researched in this update:

- **Allianz**
- **DekaBank**
- **Deutsche Bank**
- **Unicredit/HVB**

The six producers of cluster munitions that are considered in this update are:

- **Alliant Techsystems** United States
- **Hanwha Corporation** South Korea
- **Lockheed Martin** United States
- **Poongsan Corporation** South Korea
- **Singapore Technologies Engineering (STE)** Singapore
- **Textron** United States

Investments in producers of cluster munitions take the form of shareholdings, bondholdings, loans and/or underwritings of share- and bond issuances. For DekaBank, Deutsche Bank and Unicredit/HVB, a comparison with their financial involvement in November 2010 is made. For Allianz, no such comparison is possible, because this bank was not researched in the original report.

Findings

The update research found only one new loan of a German bank to a cluster munition producer since the previous research (November 2010): in March 2011 Deutsche Bank was one of the seven banks participating in a syndicate which provided a US\$ 1 billion credit facility to Textron.

The update research further found changes in share and bondholdings since the original report:

Summary of investments by German banks since early 2008, as at May 2011

	Alliant Techsystems	Hanwha	Lockheed Martin	Poongsan	Singapore Technologies Engineering	Textron
Allianz	Sh, Bo		Sh, Bo	Sh	Sh	Sh, Bo
DekaBank			Sh			Sh, Bo
Deutsche Bank	Sh, Bo		Sh, Bo		Sh, Bu	Sh, Bo, Su, Bu, L
Unicredit/HVB		Sh	Sh		Sh	Sh

Sh = shareholding, Bo = bondholding, Su = share underwriting, Bu = bond underwriting, L = Loan

There are almost no differences found with the original report (researched in November 2010) with regard to the cluster munition producers in which these four financial groups are involved in and the forms of their involvement. However, the amount of share- and bondholdings do differ substantially in some cases.

Most investments are made by Deutsche Bank and Allianz, which are involved in the financing of four and five cluster munition producers respectively, by means of shareholdings, bondholdings, loans and issuances of shares and bonds. Unicredit/HVB is also involved in the financing of four cluster munition producers, but only via shareholdings. Dekabank owns shares and bonds of two cluster munition producers.

Noteworthy development in the share- and bondholdings of these four financial groups are:

- the total investment in shares of cluster munition producers by the DekaBank Group fell sharply;
- the investments by Deutsche Bank funds in shares of cluster munition producers have decreased because the funds managed by DWS Investment GmbH, the German asset management division of the banking group, sold their holdings. Other (foreign) asset management subsidiaries of the Deutsche Bank group still have shareholdings in cluster munition producers however;
- Unicredit/HVB Group has increased its shareholdings in cluster munition producers, especially in Textron;
- No investments by funds managed by Allianz Global Investors Europe were found. However, funds managed by other asset management subsidiaries of the Allianz Group still invest in producers of cluster munition.

Further details can be found in the different chapters of the report.

Introduction

This report provides an overview of the involvement of four German financial groups in the financing of six producers of cluster munitions since January 2008. This report is an update of the report “German banks and cluster munitions” dated November 2010.

The six producers of cluster munitions that are considered in this update are:

- | | |
|---|---------------|
| • Alliant Techsystems | United States |
| • Hanwha Corporation | South Korea |
| • Lockheed Martin | United States |
| • Poongsan Corporation | South Korea |
| • Singapore Technologies Engineering (STE) | Singapore |
| • Textron | United States |

The following 4 German banks are researched in this update:

- **Allianz**
- **DekaBank**
- **Deutsche Bank**
- **Unicredit/HVB**

The financial relationships found are grouped by financial group, in separate chapters for each financial group. All share- and bondholdings are reported per subsidiary and investment fund, and are subsequently summarized per cluster munition producer.

The report is organised as follows: Chapter 1 presents the methodology. Chapter 2 presents an overview of the financial involvement of DekaBank, Chapter 3 presents this information for Deutsche Bank, Chapter 4 for Unicredit/HVB and Chapter 5 for Allianz.

A summary of the findings can be found on the first page of this report.

Chapter 1 Methodology

The six producers of cluster munitions that are considered in this update are:

- | | |
|---|---------------|
| • Alliant Techsystems | United States |
| • Hanwha Corporation | South Korea |
| • Lockheed Martin | United States |
| • Poongsan Corporation | South Korea |
| • Singapore Technologies Engineering (STE) | Singapore |
| • Textron | United States |

The following 4 German financial groups, with their subsidiaries between brackets, are researched in this update:

- **Allianz** (Allianz Life Insurance, Investitori SGR, NFJ Investment, Pacific Investment Management Company, PIMCO, RCM)
- **DekaBank** (Deka, Deka Investment, DekaBank Deutsche Girozentrale, Deka International Fund Management, S-Pensionsmanagement, Sparkassen Pensionsfonds, Sparkassen Pensionskasse, Dealis Fund Operations, Heubeck, S Broker, Westinvest, WIV, ETFlab Investment, DKC Deka Kommunal Consult)
- **Deutsche Bank** (DB Advisors, DB Capital Markets, DB Valoren, DWS, Taunus)
- **Unicredit/HVB** (Pioneer Asset Management GmbH, DAB Bank, Bankhaus Neelmeyer, HypoVereinsFinance)

German banks can be involved in financing these companies by providing corporate loans, project finance or working capital facilities, by underwriting share and bond issuances and by managing share- and bondholdings. All loans and underwriting activities since 1 January 2008 are included as well as share- and bondholdings at the most recent reporting date.

For DekaBank, Deutsche Bank and Unicredit/HVB, a comparison with their financial involvement in November 2010 is made. For Allianz, no such comparison is possible, because this bank was not researched in the original report.

For all investment funds listed in the report dated November 2010, it was checked in the Thomson ONE Database if the funds still own shares or bonds in the relevant cluster munition producers. In addition, it was researched if other investment funds (managed by one of the four German financial groups) which were not involved in financing the cluster munition producers in November 2010 have now become involved. For the existing funds, three options are possible:

- A more recent filing date than the one in the November 2010 report was found. In this case, the newest holding information is summarised in the table, along with the new filing date;
- No recent filing date could be found. In this case, it is assumed that the holding did not change compared to the previous report. This is marked with an **X** in the table;
- The fund could no longer be found in the Thomson ONE Database. In this case, there are two options:
 - The holding has been sold;
 - The fund has changed its name. Because we researched all the new funds of the banking groups, if the renamed fund still has holdings in the relevant cluster munition producers it will be counted in the total holdings as a new fund.

If a fund is no longer found in the Thomson ONE Database, it is marked with an **@** in the table and it is assumed that the holding is zero.

Chapter 2 DekaBank

2.1 Subsidiaries

The following subsidiaries of the DekaBank Group were researched:

- Dealis Fund Operations
- Deka
- Deka International Fund Management
- Deka Investment
- DekaBank Deutsche Girozentrale
- DKC Deka Kommunal Consult
- ETFlab Investment
- Heubeck
- S Broker
- Sparkassen Pensionsfonds
- Sparkassen Pensionskasse
- S-Pensionsmanagement
- Westinvest
- WIV

2.2 Shares

Table 1 gives an overview of all the shareholdings by DekaBank and its subsidiaries in producers of cluster munitions.

Table 1 Shares owned or managed by DekaBank

Investor	Fund	Value (US\$ mln)	# of shares	% all shares	Filing date	Value (US\$ mln)	# of shares	% all shares	Filing date
		Previous data (research Nov 10)				Update (research May 11)			
Lockheed Martin									
Deka Investment	Deka Basisindustrie	0.11	1,500	0.00	31-12-09	0.11	1,500	0.00	30-06-10
Deka Investment	Deka Basisindustrie CF	0.09	1,200	0.00	31-12-09	0.00	0	0.00	31-12-10
Deka Investment	Deka Dividendvalue Global	0.03	453	0.00	30-11-09	@	@	@	@
Deka Investment	Deka Inv Krebslife 1 Fonds	0.23	3,100	0.00	31-12-09	X	X	X	X
Deka Investment	Deka Sigma Plus	0.06	800	0.00	31-12-09	0.00	0	0.00	31-12-10

Investor	Fund	Value (US\$ mln)	# of shares	% all shares	Filing date	Value (US\$ mln)	# of shares	% all shares	Filing date
		Previous data (research Nov 10)				Update (research May 11)			
Deka Investment	Balanced Fonds Deka Technologie CF	0.47	6,200	0.00	31-12-09	0.00	0	0.00	31-12-10
Deka Investment	Deka Technologie TF	0.84	11,100	0.00	31-12-09	X	X	X	X
Deka Investment	Deka VER 03 Fonds	0.07	900	0.00	30-11-09	X	X	X	X
Deka Investment	Dekalux U.S.A. Fonds	1.64	20,978	0.01	30-10-09	0.00	0	0.00	31-12-10
DekaBank Deutsche Girozentrale	DekaBank Deutsche Girozentrale	7.50	100,705	0.03	30-06-10	0.43	5,294	0.00	31-03-11
Textron									
Deka Investment	Deka A-Swn Rems Murr Fonds	0.21	10,000	0.00	31-05-10	0.23	10,000	0.00	30-04-10
DekaBank Deutsche Girozentrale	-	0.24	13,965	0.01	30-06-10	0.12	4,246	0.00	31-03-11

Key:

@ = not in Thomson spreadsheet anymore (in this case, it is assumed that the holding is sold)

X = no recent information so the numbers mentioned in the table do not change

Source: Thomson One Database, Viewed in November 2010 and May 2011.

Table 2 aggregates the shares owned or managed by different funds of DekaBank per cluster munition producer.

Table 2 Summary of shares owned or managed by DekaBank

Cluster munition producer	Value (US\$ mln)	# of shares	% all shares	Value (US\$ mln)	# of shares	% all shares
	Previous data (research Nov 10)			Update (research May 11)		
Lockheed Martin	11.04	146,936	0.04	1.68	21,894	0.01
Textron	0.45	23,965	0.01	0.35	14,246	0.00
Total	11.49			2.03		

Source: Thomson One Database, Viewed in November 2010 and May 2011.

The main reason that the total investment in shares of DekaBank has fallen so sharply is because DekaBank Deutsche Girozentrale has decreased its holdings in Lockheed Martin significantly.

2.3 Bonds

Table 3 gives an overview of all the bondholdings by DekaBank and its subsidiaries in producers of cluster munitions.

Table 3 Bonds owned or managed by DekaBank

Investor	Fund	Value (US\$ mln)	% all bonds	Filing date	Value (mln \$)	% all bonds	Filing date
		Previous data (research Nov 10)			Update (research May 11)		
Textron							
Deka International Fund Management	Deka-Wandelanleihen	0.60	0.02	01-03-10	0.55	0.02	01-09-10

Source: Bloomberg Database, Viewed in November 2010 and May 2011.

Table 4 aggregates the bonds owned or managed by different funds of DekaBank per cluster munition producer.

Table 4 Summary of bonds owned or managed by DekaBank

Cluster munition producer	Value (US\$ mln)	% all bonds	Value (US\$ mln)	% all bonds
	Previous data (research Nov 10)		Update (research May 11)	
Textron	0.60	0.02	0.55	0.02
Total	0.60		0.55	

Source: Bloomberg Database, Viewed in November 2010 and May 2011.

The investments of DekaBank in bonds before and after the update have remained the same. The lower market value is due to bond price changes.

Chapter 3 Deutsche Bank

3.1 Subsidiaries

The following subsidiaries of the Deutsche Bank Group were researched:

- DB Advisors
- DB Capital Markets
- DB Valoren
- Deutsche Bank
- DWS
- Taunus

3.2 Shares

Table 5 gives an overview of all the shareholdings by Deutsche Bank and its subsidiaries in producers of cluster munitions.

Table 5 Shares owned or managed by Deutsche Bank

Investor	Fund	Value (US\$ mln)	# of shares	% all shares	Filing date	Value (US\$ mln)	# of shares	% all shares	Filing date
		Previous data (research Nov 10)				Update (research May 11)			
Alliant Techsystems									
Deutsche Asset Management Americas	Unknown	11.31	150,059	0.45	30-09-10	12.06	162,073	0.48	31-12-10
Deutsche Bank Securities	Unknown	4.59	60,867	0.18	30-09-10	7.53	101,151	0.30	31-12-10
Deutsche Investment Management Americas	Unknown	27.46	364,225	1.09	30-09-10	31.50	423,175	1.26	31-12-10
Dreman Value Management	DWS Dreman Small Cap Value Fund	24.05	318,975	0.96	30-09-10	27.30	386,325	1.15	31-03-11
Lockheed Martin									
DB Platinum Advisors	DB Platinum IV Croci US	21.31	285,900	0.08	31-01-10	20.79	276,600	0.08	31-07-10
DB Platinum Advisors	Db X-Trackers Msci Usa Trn Index Etf	3.57	50,128	0.01	30-09-10	X	X	X	X

Investor	Fund	Value (US\$ mln)	# of shares	% all shares	Filing date	Value (US\$ mln)	# of shares	% all shares	Filing date
		Previous data (research Nov 10)				Update (research May 11)			
DB Platinum Advisors	DB X-Trackers MSCI World TRN Index ETF					2.29	28,523	0.01	31-03-11
DWS Investment	DWS (CH) - U.S. Equities	2.42	32,132	0.01	31-12-09	0.00	0	0.00	28-02-11
DWS Investment	DWS Core Alpha	0.27	3,299	0.00	31-03-10	@	@	@	@
DWS Investment	DWS Global Growth	1.25	15,000	0.00	31-03-10	0.00	0	0.00	30-11-10
DWS Investment	DWS Invest US Value Equities	1.49	20,000	0.01	30-06-10	0.00	0	0.00	28-02-11
DWS Investment	DWS Large Cap Value Fund	22.61	317,247	0.09	30-09-10	0.00	0	0.00	31-10-10
DWS Investment	DWS StepInvest Top Dividende	7.70	92,465	0.03	31-03-10	@	@	@	@
DWS Investment	DWS Top Dividende	101.45	1,219,110	0.34	31-03-10	0.00	0	0.00	30-09-10
DWS Investment	DWS US Growth	2.50	30,000	0.01	31-03-10	0.00	0	0.00	31-12-10
DWS Investment	DWS Var. Series II - DWS Large Cap Value Portfolio	2.90	38,973	0.01	30-06-10	0.00	0	0.00	31-10-10
DWS Investment	DWS Dividende Direkt 2014	8.27	110,000	0.03	30-06-10	0.00	0	0.00	28-02-11
Deutsche Asset Management Americas	DWS Balanced Fund	3.37	47,230	0.01	30-09-10	0.00	0	0.00	31-10-10
Deutsche Asset Management Americas	DWS Disciplined Long/Short Growth Fund	0.03	300	0.00	31-05-10	@	@	@	@
Deutsche Asset Management Americas	DWS S&P 500 Plus Fund	0.31	4,430	0.00	30-09-10	0.31*	4,430	0.00	30-12-10
Deutsche Asset Management Americas	DWS Var. Series II - Balanced Portfolio	0.94	12,479	0.00	03-07-10	0.00	0	0.00	31-12-10
Deutsche Asset Management	DEAM Fonds Nkv 1	0.14	1,700	0.00	31-03-10	X	X	X	X

Investor	Fund	Value (US\$ mln)	# of shares	% all shares	Filing date	Value (US\$ mln)	# of shares	% all shares	Filing date
		Previous data (research Nov 10)				Update (research May 11)			
Deutsche Asset Management	DeAM Flexible Wertkonten Basf Aktienfonds	0.05	650	0.00	31-12-09	X	X	X	X
Deutsche Asset Management	DeAM Fonds PFDB	0.71	8,800	0.00	30-06-09	@	@	@	@
Deutsche Asset Management	DeAM Fonds PFDB 2	0.71	8,800	0.00	30-06-09	@	@	@	@
Deutsche Asset Management	DeAM Fonds Spezial 1	0.30	3,800	0.00	31-05-10	X	X	X	X
Deutsche Asset Management	DeAM Fonds ZDV	0.09	1,100	0.00	30-04-10	X	X	X	X
Deutsche Bank Private Wealth Management	-	0.05	680	0.00	30-09-10	0.06	880	0.00	31-12-10
Deutsche Bank Securities	-	13.18	184,907	0.05	30-09-10	10.61	151,814	0.04	31-12-10
Deutsche Investment Management Americas	Unknown	11.60	162,735	0.05	30-09-10	10.29	147,196	0.04	31-12-10
Dreman Value Management	DWS Dreman Value Income Edge Fund, Inc.	0.24	3,304	0.00	30-09-10	X	X	X	X
Northern Trust Global Investments	DWS Equity 500 Index Portfolio	5.45	73,091	0.02	30-06-10	X	X	X	X
Northern Trust Global Investments	DWS VIP Equity 500 Index Fund	1.46	20,431	0.01	30-09-10	X	X	X	X
Northern Trust Investments	Deutsche Global Equity Index Mother	0.01	100	0.00	26-04-10	X	X	X	X
Deutsche Asset Management Americas	Unknown	27.73	368,928	0.11	30-06-10	83.92	1,200,465	0.35	31-12-10
Singapore Technologies Engineering									
Deutsche Asset Management (Japan)	Deutsche Global Good Dividend Equity Mother Fund	0.94	399,000	0.01	30-06-10	0.00	0	0.00	21-12-10
Deutsche Asset Management	DWS Diversified International	0.07	26,000	0.00	30-09-10	0.07*	26,000	0.00	31-03-11

Investor	Fund	Value (US\$ mln)	# of shares	% all shares	Filing date	Value (US\$ mln)	# of shares	% all shares	Filing date
		Previous data (research Nov 10)				Update (research May 11)			
Americas	Equity Fund								
Deutsche Asset Management Americas	DWS Lifecycle Long Range Fund	0.01	6,000	0.00	30-06-10	0.02*	6,000	0.00	31-12-10
Deutsche Asset Management Americas	DWS Var. Series II - Diversified International Equity VIP	0.04	15,000	0.00	31-07-10	0.04*	15,000	0.00	31-12-10
Deutsche Asset Management	DeAM Fonds Nkv 1	0.03	9,000	0.00	31-03-10	X	X	X	X
Deutsche Asset Management	DeAM Flexible Wertkonten Basf Aktienfonds	0.00	2,000	0.00	31-12-09	X	X	X	X
Deutsche Asset Management	DeAM Fonds ZDV	0.01	5,000	0.00	30-04-10	X	X	X	X
MFC Global Investment Management (Asia)	DWS Singapore Equity Fund	1.80	764,000	0.03	30-06-10	0.91	343,000	0.01	31-12-10
Northern Trust Global Investments	DWS EAFE Equity Index Fund	0.12	53,000	0.00	30-06-10	0.12	47,000	0.00	31-03-11
Northern Trust Investments, N.A.	Deutsche Global Equity Index Mother	0.00	2,000	0.00	26-04-10	0.01	2,000	0.00	25-10-10
Textron									
DB Platinum Advisors	Db X-Trackers Msci Usa Trn Index Etf	0.89	43,124	0.02	30-09-10	X	X	X	X
Deutsche Asset Management Americas	DWS Mid Cap Growth Fund	1.93	93,600	0.03	31-05-10	@	@	@	@
Deutsche Asset Management Americas	DWS S&P 500 Plus Fund	0.09	4,200	0.00	30-09-10	0.10*	4,200	0.00	31-12-10
Deutsche Asset Management Americas	Unknown	3.79	184,635	0.07	30-09-10	19.73	834,495	0.30	31-12-10
Deutsche Asset Management	DeAM Fonds Nkv 1	0.03	1,100	0.00	31-03-10	X	X	X	X
Deutsche Asset	DeAM Fonds	0.07	3,200	0.00	31-05-10	X	X	X	X

Investor	Fund	Value (US\$ mln)	# of shares	% all shares	Filing date	Value (US\$ mln)	# of shares	% all shares	Filing date
		Previous data (research Nov 10)				Update (research May 11)			
Management	Spezial 1								
Deutsche Asset Management	DeAM Fonds ZDV	0.01	500	0.00	30-04-10	X	X	X	X
Deutsche Asset Management	Unknown	0.20	9,760	0.01	30-09-10	0.00	0	0.00	31-12-10
Deutsche Bank Private Wealth Management	-	0.00	160	0.00	30-09-10	0.00	160	0.00	31-12-10
Deutsche Bank Securities	-	4.31	209,516	0.08	30-09-10	6.11	258,442	0.09	31-12-10
Deutsche Investment Management Americas	-	3.23	157,033	0.06	30-09-10	1.89	79,970	0.03	31-12-10
Northern Trust Global Investments	DWS Equity 500 Index Portfolio	1.06	62,654	0.02	30-06-10	1.60	58,454	0.02	31-03-11
Northern Trust Global Investments	DWS VIP Equity 500 Index Fund	0.39	18,879	0.01	30-09-10	0.48	17,618	0.01	31-03-11
Northern Trust Investments, N.A.	Deutsche Global Equity Index Mother	0.00	100	0.00	26-04-10	0.00	100	0.00	25-10-10

Key:

@ = not in Thomson spreadsheet any more (in this case, it is assumed that the holding is sold)

X = no recent information (filing date the same)

*Now managed by QS Investors, LLC

Source: Thomson One Database, Viewed in November 2010 and May 2011; DWS Investment, "DWS Dividende Direkt 2014 - Halbjahresbericht 2010", DWS Investment, August 2010; DWS Investments, "DWS S&P 500 Index Fund - Total Holdings as of 2010-09-30", DWS Investments, October 2010.

Table 6 aggregates the shares owned or managed by different funds of Deutsche Bank per cluster munition producer.

Table 6 Summary of shares owned or managed by Deutsche Bank

Cluster munition producer	Value (US\$ mln)	# of shares	% all shares	Value (US\$ mln)	# of shares	% all shares
	Previous data (research Nov 10)			Update (research May 11)		
Alliant Techsystems	67.41	894,126	2.68	78.39	1,072,724	3.19
Lockheed Martin	246.99	3,186,210	0.89	144.07	2,028,403	0.58
STE	3.02	1,281,000	0.04	1.21	455,000	0.02
Textron	16.00	788,461	0.30	30.91	1,301,363	0.47
Total	333.42			254.58		

Source: Thomson One Database, Viewed in November 2010 and May 2011.

The main reason that the investments by Deutsche Bank funds in shares of cluster munition producers have decreased compared to the previous data (research November 2010) is that Deutsche Bank has sold the holdings by the funds managed by DWS Investment GmbH, the German asset management division of the banking group.

Especially the holdings of the fund DWS Top Dividende in Lockheed Martin, which were worth more than US\$ 100 million, have an important impact on the total holdings of the banking group. The holdings were sold before the end of September 2010.

Other (foreign) asset management subsidiaries of the Deutsche Bank group still have shareholdings in cluster munition producers, however.

3.3 Bonds

Table 7 gives an overview of all the bondholdings by Deutsche Bank and its subsidiaries in producers of cluster munitions.

Table 7 Bonds owned or managed by Deutsche Bank

Investor	Fund	Value (US\$ mln)	% all bonds	Filing date	Value (mln \$)	% all bonds	Filing date
		Previous data (research Nov 10)			Update (research May 11)		
Alliant Techsystems							
Deutsche Bank	Deutsche Bank Aktiengesellschaft				1.72	0.14	01-12-10
Lockheed Martin							
Deutsche Asset Management	DWS US Bond Index Fund	0.23	0.00	01-09-10	0.23	0.00	01-03-11
Deutsche Asset Management Japan	Deutsche US Investment Grade Bond	2.00	0.04	01-11-10	X	X	X
Textron							
Deutsche Asset Management	DWS Short	9.68	0.26	01-09-10	@	@	@

Investor	Fund	Value (US\$ mln)	% all bonds	Filing date	Value (mln \$)	% all bonds	Filing date
		Previous data (research Nov 10)			Update (research May 11)		
Deutsche Asset Management	Duration Plus Fund						
Deutsche Asset Management	DWS Short Duration Fund	0.32	0.01	01-09-10	@	@	@
Deutsche Asset Management	DWS Short Duration Plus Fund	4.62	0.13	01-09-10	@	@	@
Deutsche Asset Management	DWS Short Duration Fund	0.38	0.01	01-09-10	@	@	@
Deutsche Bank	Deutsche Bank Aktiengesellschaft	8.92	0.24	01-06-10	4.54	0.14	01-12-10
DWS Investment	DWS Invest Convertibles	2.50	0.07	01-01-10	@	@	@

Key:

@ = not in Thomson spreadsheet any more (in this case, it is assumed that the holding is sold)

X = no recent information (filing date the same)

Source: Bloomberg Database, Viewed in November 2010 and May 2011.

Table 8 aggregates the bonds owned or managed by different funds of Deutsche Bank per Cluster munition producer.

Table 8 Summary of bonds owned or managed by Deutsche Bank

Cluster munition producer	Value (US\$ mln)	% all bonds	Value (US\$ mln)	% all bonds
	Previous data (research Nov 10)		Update (research May 11)	
Alliant Techsystems	0.00	0.00	1.72	0.14
Lockheed Martin	2.23	0.04	2.23	0.04
Textron	26.42	0.72	4.54	0.14
Total	28.65		8.49	

Source: Bloomberg Database, Viewed in November 2010 and May 2011.

The reason that the investments in bonds have fallen so sharply is because Deutsche Bank has sold a large part of its bonds of Textron.

3.4 Share issuances

Since January 2008 Deutsche Bank assisted cluster munition producers in issuing the following shares:

- In April 2009 Deutsche Bank was one of the ten banks participating in the syndicate underwriting an issuance of 20.7 million shares for **Textron** with a total value of US\$ 217.4 million (€ 164.0 million). The proceeds are used for general corporate purposes and paying fees and expenses. Deutsche Bank had 733,126 allotted shares, underwriting about € 5.8 million.¹

3.5 Bond issuances

Since January 2008 Deutsche Bank assisted cluster munition producers in issuing the following bonds:

- In January 2008 Deutsche Bank was the only bookrunner in a bond issuance for **Textron** with a value of US\$ 100 million (€ 67.66 million). The bonds will mature in January 2011 and the proceeds are being used for general corporate purposes.²
- In February 2008 Deutsche Bank was the only bookrunner in another bond issuance for **Textron** with a value of US\$ 25 million (€ 17.25 million). The bonds will mature in February 2011 and the proceeds are being used for general corporate purposes.³
- In April 2008 Deutsche Bank was one of the four joint bookrunners in a bond issuance for **Textron** of US\$ 300 million (€ 188.85 million). This bond will mature in April 2013 and again, the proceeds are used for general corporate purposes.⁴ The allotted amount of Deutsche Bank is estimated at € 47.21 million.
- In April 2009 Deutsche Bank was one of the ten banks participating in the syndicate underwriting a bond issuance for **Textron** of US\$ 600 million (€ 452.6 million). This bond will mature in May 2013 and the proceeds are used for general corporate purposes, reducing indebtedness and for investments.⁵ Deutsche Bank, part of the 10-bank syndicate underwrote US\$ 14.6 million (€ 11.0 million).⁶
- In July 2009 Deutsche Bank was one of the two joint bookrunners for a bond issuance by **STE**. The bonds had a total value of US\$ 500 million (€ 356.55 million) and will mature in July 2019. The proceeds are being used for general corporate purposes.⁷ The estimated allotted amount of Deutsche Bank in this deal is € 178.28 million.

3.6 Loans

Since January 2008 Deutsche Bank provided the following loans to cluster munition producers:

- In March 2011 Deutsche Bank was one of the seven banks participating in a syndicate which provided a US\$ 1 billion credit facility to **Textron**. The facility will mature in March 2015. The proceeds are used for general corporate purposes.⁸ The estimated allotted amount of Deutsche Bank in this deal is US\$ 142.9 million.

Chapter 4 Unicredit/HVB

4.1 Subsidiaries

The following subsidiaries of the Unicredit Group were researched:

- Bankhaus Neelmeyer
- DAB Bank
- HypoVereinsBank
- HypoVereinsFinance
- Pioneer Asset Management
- Pioneer Investment Management
- Pioneer Investments Austria
- Unicredit

4.2 Shares

Table 9 gives an overview of all the shareholdings by Unicredit/HVB and its subsidiaries in producers of cluster munitions.

Table 9 Shares owned or managed by Unicredit/HVB

Investor	Fund	Value (US\$ mln)	# of shares	% all shares	Filing date	Value (US\$ mln)	# of shares	% all shares	Filing date
		Previous data (research Nov 10)				Update (research May 11)			
Hanwha									
Pioneer Investments Austria	Pioneer Funds Austria Asia Stock	0.05	1,610	0.00	15-10-09	0.00	0	0.00	30-11-10
Pioneer Investments Austria	Pioneer Funds Austria Tiger Stock	0.03	1,000	0.00	31-05-09	0.00	0	0.00	31-10-10
Lockheed Martin									
Pioneer Investment Management	ING Pioneer Equity Income Portfolio	0.96	13,518	0.00	30-09-10	@	@	@	@
Pioneer Investment Management	ING Pioneer Fund Portfolio	0.44	6,177	0.00	30-09-10	0.52	6,442	0.00	31-03-11
Pioneer Investment Management	Met Investors Series Trust Pioneer Fund Portfolio	4.38	62,953	0.02	31-08-10	5.35	66,557	0.02	31-03-11
Pioneer	Pioneer Classic	0.72	10,424	0.00	31-08-10	0.81	10,125	0.00	31-03-11

Investor	Fund	Value (US\$ mln)	# of shares	% all shares	Filing date	Value (US\$ mln)	# of shares	% all shares	Filing date
		Previous data (research Nov 10)				Update (research May 11)			
Investment Management	Balanced Fund								
Pioneer Investment Management	Pioneer Equity-Income Fund	6.92	92,100	0.03	31-07-10	7.17	89,200	0.03	31-03-11
Pioneer Investment Management	Pioneer Equity-Income VCT Portfolio	1.05	14,152	0.00	30-06-10	1.10	13,725	0.00	31-03-11
Pioneer Investment Management	Pioneer Fund	34.96	469,300	0.13	30-06-10	37.15	469,300	0.14	28-02-11
Pioneer Investment Management	Pioneer Fund VCT Portfolio	2.02	27,066	0.01	30-06-10	1.74	22,028	0.01	28-02-11
Pioneer Investment Management	Pioneer S.F. - U.S. Equity Market Plus (EUR)	0.75	10,010	0.00	31-12-09	0.37	4,991	0.00	30-06-10
Singapore Technologies Engineering									
Pioneer Investments Austria	Pioneer Funds Austria Asia Stock	0.27	131,000	0.00	15-10-09	0.00	0	0.00	30-09-10
Pioneer Investments Austria	Pioneer Funds Austria Tiger Stock	0.05	30,000	0.00	31-05-09	0.08	30,000	0.00	28-02-11
Textron									
Pioneer Investment Management	ING Pioneer Mid Cap Value Portfolio	8.86	430,695	0.16	30-09-10	10.49	383,095	0.14	31-03-11
Pioneer Investment Management	Pioneer Classic Balanced Fund	0.41	24,237	0.01	31-08-10	0.64	23,543	0.01	31-03-11
Pioneer Investment Management	Pioneer Disciplined Growth Fund	0.54	31,900	0.01	31-08-10	0.87	31,700	0.01	31-03-11
Pioneer Investment Management	Pioneer Disciplined Value Fund	0.41	24,000	0.01	31-08-10	0.63	23,000	0.01	31-03-11
Pioneer Investment Management	Pioneer Equity Opportunity Fund	0.25	14,400	0.01	31-08-10	0.42	15,510	0.01	31-03-11
Pioneer	Pioneer Funds -	0.34	20,300	0.01	30-06-10	X	X	X	X

Investor	Fund	Value (US\$ mln)	# of shares	% all shares	Filing date	Value (US\$ mln)	# of shares	% all shares	Filing date
		Previous data (research Nov 10)					Update (research May 11)		
Investment Management	U.S. Equity 130/30								
Pioneer Investment Management	Pioneer Funds US Research	11.46	675,300	0.25	30-06-10	17.90	680,800	0.25	31-01-11
Pioneer Investment Management	Pioneer Funds US Research Value	2.45	144,300	0.05	30-06-10	X	X	X	X
Pioneer Investment Management	Pioneer Independence Fund	9.35	547,900	0.20	31-08-10	8.82	321,900	0.12	31-03-11
Pioneer Investment Management	Pioneer Mid Cap Value Fund	21.73	1,046,500	0.38	31-07-10	18.45	825,000	0.30	30-11-10
Pioneer Investment Management	Pioneer Mid-Cap Value VCT Portfolio	2.97	174,800	0.06	30-06-10	3.28	146,630	0.05	30-11-10
Pioneer Investment Management	Pioneer Research Fund	0.42	24,700	0.01	31-08-10	0.73	26,500	0.01	31-03-11
Pioneer Investment Management	Pioneer Select Mid Cap Growth Fund	4.09	239,800	0.09	31-08-10	7.12	259,800	0.09	31-03-11
Pioneer Investment Management	Pioneer Value Fund	10.29	606,500	0.22	30-06-10	18.97	692,700	0.25	31-03-11
Pioneer Investment Management	Pioneer Azionario America					3.17	120,400	0.04	31-01-11
Pioneer Investment Management	Pioneer Funds - US Mid Cap Value					6.42	244,100	0.09	31-01-11
Pioneer Investment Management	Pioneer Global Equity Fund					0.76	33,800	0.01	30-11-10
Pioneer Investment Management	Pioneer S.F. - U.S. Equity Market Plus (EUR)					0.14	8,148	0.00	30-06-10

Key:

@ = not in Thomson spreadsheet any more (in this case, it is assumed that the holding is sold)

X = no recent information (filing date the same)

Source: Thomson One Database, Viewed in November 2010 and May 2011.

Table 10 aggregates the shares owned or managed by different funds of Unicredit/HVB per cluster munition producer.

Table 10 Summary of shares owned or managed by Unicredit/HVB

Cluster munition producer	Value (US\$ mln)	# of shares	% all shares	Value (US\$ mln)	# of shares	% all shares
	Previous data (research Nov 10)			Update (research May 11)		
Hanwha	0.08	2,610	0.00	0.00	0	0.00
Lockheed Martin	52.20	705,700	0.19	54.21	682,368	0.20
Singapore Technologies Engineering	0.32	161,000	0.00	0.08	30,000	0.00
Textron	73.57	4,005,332	1.47	101.6	4,001,226	1.45
Total	126.17			155.89		

Source: Thomson One Database, Viewed in November 2010 and May 2011.

The main reason that the investments in shares of Unicredit/HVB have increased at the time of updating is because the financial group has increased the shareholdings in Textron of several funds.

Chapter 5 Allianz

5.1 Subsidiaries

The following subsidiaries of the Allianz Group were researched:

- Allianz Life Insurance
- Investitori SGR
- NFJ Investment
- Pacific Investment Management Company
- PIMCO
- RCM

5.2 Shares

Table 11 gives an overview of all the shareholdings by Allianz and its subsidiaries in producers of cluster munitions.

Table 11 Shares owned or managed by Allianz

Investor	Fund	Value (US\$ mln)	# of shares	% all shares	Filing date
Textron					
Allianz Global Investors Capital LLC	Allianz AGIC Income & Growth Fund	5.62	205,200	0.07	31-03-11
Investitori SGR S.p.A.	Investitori Europa	0.02	806	0.00	30-09-10
Pacific Investment Management Company LLC	Unknown	0.08	3,559	0.00	31-12-10
RCM (UK) Ltd	-	0.01	560	0.00	30-06-10
Alliant Techsystems					
NFJ Investment Group LLC	Allianz NFJ Small-Cap Value Fund	80.86	1,144,200	3.42	31-03-11
NFJ Investment Group LLC	CG Capital Markets Fund Small Capitalization Value Equity In	0.93	13,100	0.04	31-03-11
NFJ Investment Group LLC	Pacific Life Small Cap Value Fund	0.76	10,700	0.03	31-03-11
NFJ Investment Group LLC	Pacific Select Small Cap Value Portfolio	6.53	92,400	0.28	31-03-11
RCM (UK) Ltd	-	0.01	100	0.00	30-06-10
Lockheed Martin					
Allianz Global Investors Capital LLC	Unknown	23.36	334,088	0.10	31-12-10
Allianz Global Investors Kapitalanlagegesellschaft	Unknown	9.73	139,177	0.04	31-12-10
Allianz of America, Inc.	-	0.52	7,369	0.00	31-12-10

Investor	Fund	Value (US\$ mln)	# of shares	% all shares	Filing date
NFJ Investment Group LLC	Allianz NFJ Dividend Value Fund	154.99	1,927,700	0.56	31-03-11
NFJ Investment Group LLC	NFJ Dividend, Interest & Premium Strategy Fund	24.12	300,000	0.09	31-03-11
NFJ Investment Group LLC	RiverSource VP-NFJ Dividend Value	30.05	441,700	0.13	30-11-10
Pacific Investment Management Company LLC	Target Conservative Allocation Fund	0.24	3,000	0.00	31-01-11
Pacific Investment Management Company LLC	Target Moderate Allocation Fund	0.78	9,800	0.00	31-01-11
RCM (UK) Ltd	-	0.06	822	0.00	30-06-10
RCM Capital Management LLC	Allianz Azioni America	8.11	108,800	0.03	30-06-10
RCM Capital Management LLC	Allianz RCM US Equity Systematic	3.95	55,350	0.02	31-10-10

Singapore Technologies Engineering

Allianz Global Investors Kapitalanlagegesellschaft	DBI-Fonds Drepen Asia	1.06	417,000	0.01	31-01-11
RCM Asia Pacific Limited	Allianz RCM Oriental Income Fund	4.03	1,767,000	0.06	31-03-10
RCM Asia Pacific Limited	Allianz RCM Tiger Fund	1.82	796,000	0.03	31-03-10
RCM Asia Pacific Limited	Allianz RCM Total Return Asian Equity Fund	3.85	1,686,000	0.06	31-03-10

Poongsan Corporation

Allianz Global Investors Korea Ltd	Allianz Best Mid&Small Cap Equity A-1 Class B	11.76	277,030	0.99	31-12-10
Allianz Global Investors Korea Ltd	Allianz Corporate Value Rising Long-term Eq G-1 A	7.64	180,000	0.64	31-12-10
Allianz Global Investors Korea Ltd	Allianz Corporate Value Share Equity Class A	0.27	6,350	0.02	31-12-10

Key:

@ = not in Thomson spreadsheet any more (in this case, it is assumed that the holding is sold)

X = no recent information (filing date the same)

Source: Thomson One Database, Viewed in May 2011.

Table 12 aggregates the shares owned or managed by different funds of Allianz per cluster munition producer.

Table 12 Summary of shares owned or managed by Allianz

Cluster munition producer	Value (US\$ mln)	# of shares	% all shares
Textron	5.73	210,125	0.07
Alliant Techsystems	89.09	1,260,500	3.77
Lockheed Martin	255.91	3,327,806	0.97

Cluster munition producer	Value (US\$ mln)	# of shares	% all shares
Singapore Technologies Engineering	10.76	4,666,000	0.16
Poongsan Corporation	19.67	463,380	1.65
Total	381.16		

Table 13 gives an overview of all the bondholdings by Allianz and its subsidiaries in producers of cluster munitions.

Table 13 Bonds owned or managed by Allianz

Investor	Fund	Value (US\$ mln)	% all bonds	Filing date
Alliant Techsystems				
Pimco Advisors LP	Pimco High Yield Fund	9.70	0.78	01-12-10
Pimco Advisors LP	Pimco Vit High Yield Bond Port	1.00	0.08	01-12-10
Pimco Advisors LP	Pimco Income Fund	1.00	0.08	01-12-10
Pimco Funds Global Investors	Pimco High Yield Bond Fund	3.50	0.28	01-12-10
Lockheed Martin				
Allianz Life Ins Co of North America	-	146.0	2.65	01-12-10
Allianz Life Insurance Co of NY	-	0.58	0.01	01-12-10
Pimco Advisors LP	Pimco Total Return Fund	4.60	0.09	01-12-10
Pimco Advisors LP	Pimco Investment Grade Corporate	0.10	0.00	01-05-11
Textron				
Allianz Global Inv of America LP	Pacific Investment Management Company	0.51	0.02	01-12-10
Allianz Life Ins Co of North America	-	33.00	1.01	01-12-10
Allianz of America	AZL VK Equity & Income	0.17	0.01	01-12-10

Source: Bloomberg Database, Viewed in May 2011.

Table 14 aggregates the bonds owned or managed by different funds of Allianz per cluster munition producer.

Table 14 Summary of bonds owned or managed by Allianz

Cluster munition producer	Value (US\$ mln)	% all bonds
Alliant Techsystems	15.2	1.22
Lockheed Martin	151.28	2.75
Textron	33.68	1.04
Total	200.16	

Allianz Global Investors Europe announced in January 2011 that its investment funds do not invest in manufacturers of cluster munitions and anti-personnel mines any longer.⁹ This seems to be confirmed by our research findings, no investments by funds managed by Allianz Global Investors Europe were found. However, funds managed by other asset management subsidiaries of the Allianz Group still invest in producers of cluster munition.

Appendix 1 References

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- 5 Thomson One Banker, "Tearsheet 2069024003", *Thomson One Banker*, 24 April 2009.
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