PICTET
Asset Management

# PICTET TR

## Prospectus

November 2023

**PICTET TR**

SICAV incorporated under Luxembourg law.

The Fund is classified as UCITS in accordance with the UCITS Directive.

The Board of Directors of Pictet TR may decide which Classes of Shares are to be listed on the Luxembourg Stock Exchange.

Except for Mandatory Additional Information (as defined below), no one is authorised to give any information other than that contained in the Prospectus or in documents referred to herein. The English text alone is legally binding, except for specific requirements in passages from authorities with whom the Fund may have been registered.

Subscriptions are accepted on the basis of the Prospectus, the relevant KI(I)D and the latest audited annual or unaudited semi-annual accounts of the Fund as well as the Articles of Association. These documents may be obtained free of charge at the registered office of the Fund. Depending on applicable legal and regulatory requirements (comprising but not limited to MIFID in the countries of distribution, additional information on the Fund and the Shares may be made available to investors under the responsibility of local intermediaries / distributors ("**Mandatory Additional Information**").

## PREAMBLE

If you have any doubts whatsoever as to the contents of the Prospectus or if you intend to subscribe to Shares, you should consult a professional adviser. No one is authorised to provide information or give presentations regarding the issue of Shares that are not contained in or referred to in the Prospectus or the reports annexed to it or that constitute Mandatory Additional Information. Neither the distribution of the Prospectus, nor the offer, issue or sale of Shares shall constitute a presentation that the information contained in the Prospectus is correct on any particular date after the date of the Prospectus. No person receiving a copy of the Prospectus in any country may deal with it as if it constituted a call for funds unless, in that particular country, such a call could be legally made to the person without him or her having to comply with registration requirements or other legal terms. Anyone wishing to buy Shares is responsible for ensuring compliance with the laws of the country in question with regard to the acquisition of Shares, including obtaining any government approval or other authorisations that may be required, and complying with any other formalities that must be adhered to in that country.

The Shares have not been and will not be registered in accordance with the 1933 Act or registered or qualified in accordance with the laws on transferable securities in a given State or any other political subdivision of the United States. Shares may not be offered, sold, transferred or delivered either directly or indirectly in the United States or to, or on behalf of, or for the benefit of United States persons (as defined in Regulation S of the 1933 Act), except in certain transactions exempt from the registration provisions of the 1933 Act and any other laws of a State or regarding transferable securities. Shares are offered outside the United States on the basis of an exemption from the registration regulations of the 1933 Act as stated in Regulation S of the 1933 Act. Shares are also offered in the United States to accredited investors within the meaning of Rule 501(a) of the 1933 Act on the basis of exemption from the registration regulations of the 1933 Act as stated in Rule 506 of the 1933 Act. The Fund has not been and will not be registered pursuant to the 1940 Act and is, therefore, limited in the number of economic shareholders who may be United States persons. The Articles of Association contain clauses intended to prevent United States persons from holding Shares and to enable the Board of Directors to conduct a forced redemption of those Shares that the Board of Directors deems necessary or appropriate in accordance with the Articles of Association. Moreover, any certificate or other document related to Shares issued to United States persons shall bear a note to the effect that such Shares have not been registered or qualified in accordance with the 1933 Act and that the Fund has not been registered in accordance with the 1940 Act and shall refer to certain transfer and sale restrictions.

Potential investors are warned that investment in the Fund entails certain risks. Investments in the Fund are subject to the usual risks concerning investments and, in some instances, may be adversely affected by political developments and/or changes in local laws, taxes, foreign exchange controls and exchange rates. Investing in the Fund may entail certain investment risks, including the possible loss of capital invested. Investors should be aware that the price of Shares may fall as well as rise.

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## PROSPECTUS

### MANAGEMENT AND ADMINISTRATION

Registered office
15, avenue J. F. Kennedy, L-1855 Luxembourg

Board of Directors
*Chairman*
**Olivier Ginguené**, Chief Investment Officer,
Pictet Asset Management S.A., Geneva

*Directors*
**Tracey McDermott**, Independent Director,
Gemini Governance & Advisory Solutions S.à r.l., Luxembourg

**Elisabeth Ödman**, Chief of Staff
Pictet Asset Management S.A., Geneva

**John Sample**, Chief Risk Officer,
Pictet Asset Management Limited, London

**Jérôme Wigny**, Partner,
Elvinger Hoss Prussen, Luxembourg

Management Company
Pictet Asset Management (Europe) S.A.
16B, rue du Fort Niedergruenewald, L-2226 Luxembourg

Board of directors of the Management Company
*Chairman*
**Cédric Vermesse,** CFO,
Pictet Asset Management S.A., Geneva

*Directors*
**Thomas Nummer**, Independent Director
JSL Consult S.à r.l.

**Francesco Ilardi**, Executive Vice-President,
Pictet Alternative Advisors S.A., Geneva

**Nicolas Tschopp**, General Counsel,
Pictet Asset Management S.A., Geneva

**Niall Quinn,** Head of Institutional
Pictet Asset Management Limited, London

**Véronique Courlier,** Independent Director I
Racine Partners SAS

*Conducting Officers of the Management Company*
**Suzanne Berg**, CEO
Pictet Asset Management (Europe) S.A., Luxembourg

**Benoît Beisbardt**, Senior Manco Oversight & Services Manager, Pictet Asset Management (Europe) S.A. Luxembourg

**Edwige Thomas-Ngo Tedga**, Head of Risk Management,
Pictet Asset Management (Europe) S.A., Luxembourg

**Gerard Lorent**, Head of Compliance,
Pictet Asset Management (Europe) S.A., Luxembourg

**Magali Belon,** Head of Legal,
Pictet Asset Management (Europe) S.A., Luxembourg

**Sorin Sandulescu**, Senior Portfolio Manager
Pictet Asset Management (Europe) S.A., Luxembourg

**Christophe Fasbender**, Senior Risk Manager
Pictet Asset Management (Europe) S.A., Luxembourg

Depositary Bank
BNP Paribas, Luxembourg Branch,
60, avenue J. F. Kennedy, L-1855 Luxembourg

Administrative Agent
BNP Paribas Luxembourg Branch,
60, avenue J. F. Kennedy, L-1855 Luxembourg

Transfer, Registrar and Paying Agent
FundPartner Solutions (Europe) S.A.
15, avenue J. F. Kennedy, L-1855 Luxembourg

Managers
Pictet Asset Management S.A.
60 Route des Acacias CH-1211 Geneva 73,
Switzerland

Pictet Asset Management Limited
Moor House, Level 11, 120 London Wall,
London EC2Y 5ET, United Kingdom

Pictet Asset Management (Singapore) Pte. Ltd
10 Marina Boulevard #22-01 Tower 2
Marina Bay Financial Centre
Singapore 018983

Pictet Asset Management (Hong Kong) Limited
9/F, Chater House, 8 Connaught Road Central
Hong Kong

Pictet Asset Management (Japan) Ltd.
2-6-1 Marunouchi, Chiyoda-ku, Tokyo 100-6921, Japan

Pictet Asset Management (USA) Corp.
712 5th Avenue, 25th Floor,
New York, NY 10019United States of America

Fund Auditor
Deloitte Audit S.à r.l.
20 Boulevard de Kockelscheuer, L-1821 Luxembourg

Legal Adviser
Elvinger, Hoss & Prussen, société anonyme
2, Place Winston Churchill, L-1340 Luxembourg

## GLOSSARY

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| 1933 Act | The United States Securities Act of 1933, as amended. |
| 1940 Act | The United States Investment Company Act of 1940. |
| 2010 Act | The Luxembourg Law of 17 December 2010 relating to undertakings for collective investment, as amended from time to time. |
| 1915 Law | The Luxembourg Law of 10 August 1915 on commercial companies, as amended from time to time. |
| Agent | BNP Paribas Luxembourg Branch , acting as securities lender for the Fund. |
| AML/CFT Provisions | The international rules and applicable Luxembourg laws and regulations including the Luxembourg Law of 12 November 2004 on the fight against money laundering and the financing of terrorism, as amended, as well as the CSSF circulars which combined are requisite to the obligations of financial sector professionals for the prevention of the use of undertakings for collective investment for money laundering and financing of terrorism. |
| Ancillary | A holding of up to 49% of the total net assets of a Compartment that differ from the main investments of a Compartment when this term is used in respect of investments of a Compartment, unless otherwise indicated in the Prospectus. |
| Annex | An annex to the Prospectus containing the relevant Compartment's details. |
| Annual General Meeting | The annual general meeting of the Shareholders. |
| Article 6 | A Compartment which complies with Article 6 of SFDR |
| Articles of Association | The articles of association of the Fund, as amended from time to time. |
| AUD | Australian Dollar. |
| Banking Day | Unless otherwise indicated in the Prospectus, a day on which the banks are normally open for business in Luxembourg. For such purpose, the 24th of December is not considered as a Banking Day. |
| Benchmarks Regulation | The Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds. |
| Board of Directors | The board of directors of the Fund. |
| Calculation Day | A day on which the net asset value per Share is calculated and published as determined for each Compartment in the relevant Annex. |
| Central Administration Agent | BNP Paribas, Luxembourg Branch, has been designated by the Management Company as the administrative agent of the Fund. |
| CHF | Swiss Franc. |
| ChinaClear | The China Securities Depository and Clearing Corporation Limited. |
| CIBM | China Interbank Bond Market. |
| Class(es) of Shares (or Share Class(es)) | A class of Shares with a specific fee structure or currency of denomination or any other specific features. |
| CNH | Offshore RMB. |
| CNY | Onshore RMB. |

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| Commodities | Physical goods that fall into one of two categories: hard commodities such as metals (for example, gold, copper, lead, uranium), diamonds, oil and gas; and soft commodities such as agricultural products, wool, cotton and foodstuffs (for example, cocoa, sugar, coffee). |
| Compartment | A separate pool of assets and liabilities within the Fund, distinguished mainly by its specific investment policy and objective, as created from time to time. |
| CRS Law | The Luxembourg Law of 18 December 2015 on the automatic exchange of financial account information in the field of taxation, as may be amended from time to time. |
| CSRC | The China Securities Regulatory Commission. |
| CSSF | The *Commission de Surveillance du Secteur Financier*, the supervisory authority of the Fund in Luxembourg. |
| CSSF Circular 08/356 | The CSSF circular 08/356 regarding rules applicable to undertakings for collective investment when they employ certain techniques and instruments relating to transferable securities and money market instruments, as amended from time to time. |
| CSSF Circular 14/592 | The CSSF circular 14/592 relating to the ESMA Guidelines, as amended from time to time. |
| Depositary Agreement | The agreement entered into between the Fund and the Depositary Bank for an indefinite period in accordance with the provisions of the 2010 Act and the Commission delegated regulation (EU) 2016/438 of 17 December 2010 supplementing the UCITS Directive. |
| Depositary Bank | BNP Paribas, Luxembourg Branch, has been designated by the Fund as the depositary bank of the Fund. |
| Directive (EU) 2019/2162 | The Directive 2019/2162 of the European Parliament and of the Council of 27 November 2019 on the issue of covered bonds and covered bond public supervision and amending Directives 2009/65/EC and 2014/59/EU. |
| Distributor | Any entity belonging to the Pictet Group authorised to perform distribution services for the Fund. |
| ESG | Environmental, social and governance ("ESG") factors. Environmental factors may include but are not limited to air and water pollution, waste generation, greenhouse gas emissions, climate change, biodiversity and ecosystems. Social factors may include but are not limited to human rights, labour standards, data privacy, local communities and public health. Corporate governance factors may include but are not limited to board composition, executive remuneration, shareholders rights, corporate tax and business ethics. For sovereign and quasi-sovereign issuers, governance factors may include but are not limited to governmental stability, corruption prevention and judicial independence. |
| ESMA | The European Securities and Markets Association. |
| ESMA Guidelines | The ESMA Guidelines on ETFs and other UCITS issues dated 1 August 2014. |
| ESMA Register | The register of administrators and benchmarks maintained by ESMA pursuant to the Benchmarks Regulation. |
| EU | The European Union. |
| EUR | Euro. |

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| Euro-CRS Directive | The Council Directive 2014/107/EU of 9 December 2014 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation. |
| FATCA | The Foreign Account Tax Compliance Act, a portion of the 2010 Hiring Incentives to Restore Employment Act. |
| Fund | Pictet TR, a UCITS incorporated under Luxembourg law as a *société anonyme* qualifying as a *société d'investissement à capital variable*. |
| GBP | Pound Sterling. |
| HKEx | Hong Kong Exchanges and Clearing Limited. |
| Institutional Investor | An investor within the meaning of Article 174 of the 2010 Act. |
| JPY | Japanese Yen. |
| KI(I)D | (i) a key investor information document required to be prepared for the Compartments pursuant to the requirements of the UCITS regulations; or (ii) a key information document required to be prepared for the Compartments which are marketed to retail investors in the EEA pursuant to the requirements of Regulation (EU) No 1286/2014 on key information documents for packaged retail and insurance-based investment products, as amended; or (iii) any equivalent or successor requirements in respect to (i) or (ii) |
| Management Company | Pictet Asset Management (Europe) S.A.("**PICTET AME SA**") has been designated by the Fund as the management company of the Fund to provide investment management, administration and marketing functions. |
| Manager | An entity in charge of the portfolio management of one or several Compartments as further mentioned in the relevant appendix. Such entity can be the Management Company or any other entity mentioned under section "Management Activity" to which the Management Company has delegated the portfolio management. |
| MiFID | (i) the MiFID Directive, (ii) Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and (iii) all EU and Luxembourg rules and regulations implementing those texts. |
| MiFID Directive | Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments. |
| OECD | The Organisation for Economic Cooperation and Development. |
| PBC | The People's Bank of China. |
| Performance Measurement | When an index is used for performance comparison in offering documents, investment team remuneration or fees calculations. |
| Performance Objective | When an index is used for setting official performance objectives. |
| Portfolio Composition | When an index is used in the portfolio construction process, either to define the universe from which investments are selected or to establish exposure limits relative to the reference index. |
| PRC | The People's Republic of China. |
| Professional Client | A professional client within the meaning of Annex II, Section I of the MiFID Directive. |
| Prospectus | The prospectus of the Fund, as amended from time to time. |
| QFI | A Qualified Foreign Investor (including qualified foreign institutional investors ("**QFII**") and Renminbi qualified foreign institutional investors ("**RQFII**")) |

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| | pursuant to the relevant PRC laws and regulations, as may be promulgated and/or amended from time to time. |
| Repurchase Agreement | A transaction at the conclusion of which the Fund is required to repurchase the asset sold and the buyer (the counterparty) must relinquish the asset held. |
| Reverse Repurchase Agreement | A transaction at the conclusion of which the seller (the counterparty) is required to repurchase the asset sold and the Fund must relinquish the asset held. |
| Risk Monitoring | When an index is used for the risk monitoring of the portfolio by setting limits relative to the reference index (ex. beta, VAR, duration, volatility or any other risk metric). |
| RMB | Renminbi, the official currency of the PRC. |
| Rule 144A Securities | Securities offered under rule 144A of the 1933 Act which addresses resale conditions of restricted securities, including, but not limited to, the purchaser qualifying as a qualified institutional buyer. Dual listed Rule 144A securities may be excluded from 144A investment limits mentioned in the annexes to the Compartments, when these securities are also admitted to trading on a stock exchange or on another regulated market which is operating regularly, recognised and open to the public, and fully compliant with eligibility and liquidity requirements applicable to UCITS investments |
| QFI Regulations | The laws and regulations governing the establishment and operation of the QFI regime in the PRC, as may be promulgated and/or amended from time to time. |
| SAFE | The PRC State Administration of Foreign Exchange. |
| Securities Lending Agreement | A transaction by which a lender transfers securities subject to a commitment that the borrower will return equivalent securities on a future date or when requested to do so by the lender. |
| SEHK | Stock Exchange of Hong Kong. |
| SEK | Swedish Krona. |
| SFDR | Sustainable Finance Disclosure Regulation: the Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector. |
| Share(s) | A share in any one Class of Share. |
| Shareholder(s) | A holder of Shares. |
| SSE | Shanghai-Stock Exchange. |
| SSE Securities | China A-Shares listed on the SSE. |
| Stock Connect | The Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect. |
| SZSE | Shenzhen-Stock Exchange. |
| SZSE Securities | China A-Shares listed on the SZSE. |
| Taxonomy Regulation | the Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 |
| Third Country | Any country which is not Member State of the EU. |
| Transfer Agent | FundPartner Solutions (Europe) S.A. has been designated by the Management Company as the transfer and registrar agent of the Fund. |
| UCITS | An undertaking for collective investment in transferable securities. |

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| UCITS Directive | Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities, as amended or supplemented from time to time. |
| USD | United States Dollar. |
| Valuation Day | A day as at which the net asset value per Share is calculated as determined for each Compartment in the relevant Annex. |
| VaR | The Value at Risk. |
| Week Day | Unless otherwise indicated in the Prospectus, any day of the week other than Saturday or Sunday. For the purpose of the calculation and the publication of the net asset value per Share as well as for the count of payment value date, the following days are not considered as a Week Day: 1st of January, Easter Monday, 25th and 26th of December. |

## GENERAL CLAUSES

The distribution of the Prospectus is authorised only if accompanied by a copy of the Fund's latest annual report and the last semi-annual report, if published after the annual report. These reports form an integral part of the Prospectus. Depending on applicable legal and regulatory requirements (comprising but not limited to MiFID) in the countries of distribution, Mandatory Additional Information may be made available to investors.

## LEGAL STATUS

The Fund (formerly Pictet Targeted Fund (LUX) and Pictet Total Return) is an open-ended investment company (SICAV) incorporated under Luxembourg law in accordance with the provisions of Part I of the 2010 Act. The Fund was incorporated for an indefinite period on 8 January 2008 and the Articles of Association were published in the *Mémorial C. Recueil des Sociétés et Associations du Grand Duché de Luxembourg* on 19 February 2008. They were last amended by notarial deed dated 19 December 2018. The Articles of Association have been filed with the Luxembourg trade and companies register (*Registre de Commerce et des Sociétés*) where they are available for consultation and where copies can be made. The Fund is registered in the Luxembourg Trade and Companies Register under number B 135664.

At all times, the Fund's capital will be equal to the net asset value and will not fall below the minimum capital of EUR 1,250,000.

The Fund's fiscal year begins on 1 January and ends on 31 December of the same year.

## INVESTMENT OBJECTIVES AND FUND STRUCTURE

The Fund is designed to offer investors access to a selection of markets worldwide and a variety of investment techniques through a range of Compartments.

The Board of Directors determines the investment policy for the various Compartments. Risks will be spread broadly by diversifying investments over a large range of transferable securities, the choice of which shall not be limited – except under the terms of the restrictions specified in the section "Investment Restrictions" below – neither in terms of regions, economic sectors, or the type of transferable securities used.

### Responsible Investment

In line with Pictet Asset Management commitment to responsible investment:

- The Management Company ensures that voting rights are exercised methodically.
- The Managers may engage with issuers in order to positively influence ESG practices.
- The Fund adopts an exclusion policy relating to direct investment that are deemed incompatible with Pictet Asset Management's approach to responsible investment.
- Relevant information relating to additional ESG considerations is specified in the annex of the Compartment concerned.

For further information, please refer to https://documents.am.pictet/library/en/other?documentTypes=RI_POLICY&businessLine=PAM .

The Management Company considers and, where possible mitigates adverse impacts of the Fund's investments on society and the environment through a combination of portfolio management decisions, active ownership activities, and exclusion of issuers associated with controversial conduct or activities.

Depending on the Compartments the Principal Adverse Impacts (PAIs) that the Management Company focus on in the Fund's portfolios include (but are not limited to) exposure to controversial weapons, exposure of companies to fossil fuels and violations of UN Global Compact principles. (see the Responsible Investment policy - Appendix B https://documents.am.pictet/library/en/other?documentTypes=RI_POLICY&businessLine=PAM ).

Subject to data availability, the Management Company is committed to report annually on a best effort basis the adverse impacts of the Fund's investments through the indicators and metrics mentioned before, while striving for full coverage of the mandatory indicators proposed by SFDR

Utilisation of Benchmarks

Benchmarks Regulation

In accordance with the provisions of the Benchmarks Regulation, supervised entities (such as UCITS and UCITS management companies) may use benchmarks in the EU if the benchmark is provided by an administrator which is included in the ESMA Register.

Benchmark administrators located in a Third Country whose indices are used by the Company benefit from the transitional arrangements afforded under the Benchmark Regulation and accordingly may not appear on the ESMA Register.

As at the date of the Prospectus the relevant benchmark administrator located in the EU included in the ESMA Register will be SIX Financial Information Nordic AB which is the benchmark administrator of Swiss Average Rate Overnight benchmark.

In addition, the Management Company maintains a written plan setting out the actions that will be taken in the event that a benchmark materially changes or ceases to be provided. A paper copy is made available free of charge upon request at the Management Company's registered office.

### Reference Index

As regards to Compartments that are actively managed (i.e. Compartments the investment objective of which is not the replication of the performance of an index), a reference index may be used for each Compartment by the relevant Manager(s) for the following purposes: (i) portfolio composition, (ii) risk monitoring, (iii) performance objective and/or (iv) performance measurement, as more fully detailed in the Annexes. For those actively managed Compartments, there is no intention to track or replicate the reference index.

The degree of similarity of the performance of each actively managed Compartment and of its reference index is disclosed in the Annexes together with the name of the reference index.

The reference indices may change over the time in which case the Prospectus will be updated at the next occasion and Shareholders will be informed via the annual and semi-annual reports.

### Pooling

For the purpose of efficient management, the board of directors of the Management Company may decide to co-manage some or all of the assets of certain Compartments. In this case, the assets from different Compartments will be jointly managed using the aforementioned technique. Assets that are co-managed will be referred to using the term "pool". These pools will only be used for internal management purposes. They will not constitute distinct legal entities and will not be directly accessible to investors. Each co-managed Compartment will have its own assets allocated to it.

When the assets of a Compartment are managed using this technique, the assets initially attributable to each co-managed Compartment will be determined according to the Compartment's initial participation in the pool. Thereafter, the composition of the assets will vary according to contributions or withdrawals made by the Compartments.

This apportionment system applies to each investment line of the pool. Additional investments made on behalf of the co-managed Compartments will therefore be allocated to these Compartments according to their respective entitlements, while assets sold will be similarly deducted from the assets attributable to each of the co-managed Compartments.

All banking transactions involved in the running of the Compartment (dividends, interest, non-contractual fees, expenses) will be accounted for in the pool and reassigned for accounting to each of the Compartments on a pro rata basis on the day the transactions are recorded (provisions for liabilities, bank recording of income and/or expenses). On the other hand, contractual fees (custody, administration and management fees, etc.) will be accounted for directly in the respective Compartments.

The assets and liabilities attributable to each Compartment will be identifiable at any given moment.

The pooling method will comply with the investment policy of each of the Compartments concerned.

### Compartment

The net assets forming each Compartment are represented by Shares, which may be of different Classes. All the Compartments together constitute the Fund. If Classes of Shares are issued, the relevant information will be specified in Annex 1 of the Prospectus.

The Management Company may decide, in the interest of Shareholders, that some or all of the assets belonging to one or more Compartments will be invested indirectly, through a company wholly controlled by the Management Company which conducts, exclusively for the benefit of the Compartment(s) concerned, the management, advising or distribution activities in the country in which the subsidiary company is established with respect to the redemption of the Shares of the Compartment in question when requested by Shareholders exclusively for itself or for the Shareholders.

For the purposes of the Prospectus, references to "investments" and "assets" respectively mean either investments made and assets held directly or investments made and assets held indirectly by the agent of the aforementioned companies.

In the event that a subsidiary company is used, this will be specified in the Annex relating to the Compartment(s) concerned.

The Board of Directors is authorised to create new Compartments. A list of the Compartments available to date is included in the Annex 1 of the Prospectus, describing their investment policies and key features.

This list is an integral part of the Prospectus and will be updated whenever new Compartments are created.

For each Compartment, the Board of Directors may also decide to create two or more Classes of Shares whose assets will generally be invested in accordance with the specific investment policy of the Class of Shares in question. However, the Classes of Shares may differ in terms of (i) subscription and/or redemption fee structures, (ii) exchange rate hedging policies, (iii) distribution policies and/or (iv) specific management or advisory fees, or (v) any other specific features applicable to each Class of Shares.

## CLASSES OF SHARES

In each Compartment, Shares may be divided into "P", "I", "J", "Z", "MG", "M", "E" and "R" Shares.

Eligibility criteria may apply to certain Classes of Shares which may also be subject to (i) specific minimum initial subscription amount, (ii) different front-end and back-end load and (iii) performance fee as described below.

Shares may also be issued in various currencies and may have a different distribution policy.

Hedging may be implemented for some Classes of Shares.

It is the responsibility of each investor to ensure that they meet the conditions for accessing the Class of Shares in which they wish to subscribe.

Investors should check the website www.assetmanagement.pictet for the availability of Classes of Shares.

### Eligibility criteria

"P" Shares are available to all investors without restrictions.

"I" Shares are available to (i) such financial intermediaries which, according to regulatory requirements, do not accept and retain inducements from third parties (in the EU, this will include financial intermediaries providing discretionary portfolio management or investment advice on an independent basis); (ii) Such financial intermediaries which, based on individual fee arrangements with their clients, do not accept and retain inducements from third parties; (iii) Institutional Investors investing on their own account. With respect to investors that are incorporated or established in the EU, Institutional Investor refers to per se Professional Clients.

"J" Shares are intended for Institutional Investors

"Z" Shares are reserved for Institutional Investors who have concluded a specific remuneration agreement with any entity of the Pictet Group.

"S" Shares are exclusively reserved for certain categories of employees of the Pictet group as defined by the Management Company.

"MG" Shares are reserved for investors expressly approved by the Manager of the Compartment concerned.

"M" Shares will be reserved to funds of funds promoted by the Pictet Group investing at least 85% of their assets in that Class of Shares.

"E" Shares are intended for Institutional Investors who have been approved as eligible investors at the discretion of the Board of Directors. "E" Shares are open for subscriptions during a defined period after the initial Compartment launch date, freely determined by the Board of Directors.

"R" Shares are intended for financial intermediaries or platforms that have been approved by the Management Company or by the Distributor and that have fee arrangements with their clients which are based entirely on accepting and keeping commissions.

### Minimum investment amount

"P", "Z", "M", "MG", "S" and R Shares are not subject to any minimum investment.

"J" and" E" Shares are subject to a minimum initial amount specified in the Annex for each Compartment. Subscriptions in a Class of Shares other than these Classes of Shares will not be taken into account in calculating the initial minimum subscription amount. However, the Board of Directors reserves the right to accept subscriptions for an amount below the required minimum initial amount, at its discretion.

Unless otherwise decided by the Management Company, "I" Shares are also subject to a minimum initial subscription, which is specified in the Annex to each Compartment.

The minimum initial investment for Shares issued in a currency other than the Compartment's reference currency is the minimum initial investment amount applicable to the Class of Shares concerned and expressed in the Compartment's reference currency converted as at the relevant Valuation Day into the applicable currency for that Class of Shares.

### Distribution policy

The Board of Directors reserves the right to introduce a distribution policy that may vary between Compartments and Classes of Shares in issue.

In addition, the Fund may decide to distribute interim dividends.

The Fund may distribute the net investment revenue, realised capital gains, unrealised capital gains and capital.

Investors should thus be aware that distributions may effectively reduce the net asset value of the Fund.

No income will be distributed if the Fund's net assets after distribution would fall below EUR 1,250,000.

The Fund may distribute free bonus Shares within the same limits.

Dividends and allotments not claimed within five years of their payment date will lapse and revert to the Compartment or to the relevant Class of Shares in the Compartment concerned.

Shares may be issued as accumulation Shares or distribution Shares.

Any revenue attributable to accumulation Shares will not be distributed but rather invested in the Class of Shares concerned.

"dy" distribution Shares will be entitled to a dividend as decided by the Annual General Meeting.

The Board of Directors may also decide to issue "dm" Shares for which a monthly dividend may be distributed. This dividend will normally be paid to Shareholders in the Class of Shares concerned who are registered in the Shareholders' register on the 20th day of the month (or the following day if that day is not a Banking Day) and will normally be paid within 4 Banking Days in the currency of the Class of Shares after the ex-date.

The Board of Directors may also decide to issue "ds" Shares for which a semi-annual dividend may be distributed. This dividend will normally be paid to Shareholders in the Class of Shares concerned who are registered in the Shareholders' register on the 20th day of the months of February and August (or the following day if that day is not a Banking Day) and will normally be paid within 4 Banking Days in the currency of the Class of Shares after the ex-date.

### Currency and hedging

In each Compartment, Shares may be issued in different currencies which may be therefore differ from the Compartment's reference currency as decided from time to time by the Board of Directors.

These Shares may be (i) hedged, in which case they will contain an "H" in their name, or (ii) not hedged.

Hedged Shares aim to hedge to a large extent the exchange risk in relation to a given currency.

### Front-and back-end load

For "I", "J", "Z", "MG", "E", "P" and "R" Shares, the front-end load for intermediaries will be no more than 5% and the back-end load no more than 1%.

For "M" and "S" Shares, there will be no front-end load nor back-end load for intermediaries.

### Performance fee

Compartments stipulating that the Manager may receive a performance fee as specified in the Annexes, the Board of Directors may decide to launch the abovementioned Classes of Shares without a performance fee in which case they will contain an "X" in their name.

These Shares are suitable for investors who do not wish to be exposed to performance fees and who therefore accept a higher management fee than the one applied to the corresponding Class of Shares (except for Z Classes of Shares as investors have entered into a specific remuneration agreement with an entity of the Pictet Group for M and S Classes of Shares). These Shares will be subject to the same conditions of access and the same front-and back-end loads as the corresponding Classes of Shares.

Investors choose the Class of Shares to which they wish to subscribe, bearing in mind that, unless otherwise restricted in Annex 1 of the Prospectus, any investor meeting the access conditions of a particular Class of Shares may request switch of his or her Shares to Shares of that Class of Shares with the exception of the "J" Share Classes (see "Switch" section below).

Conditions for the switch of Shares are described more fully in the section "Switch".

### Listing of Shares

Shares may be listed on the Luxembourg Stock Exchange. The Board of Directors will decide which Classes of Shares to be listed.

## ISSUING OF SHARES

Subscriptions to Shares in each Compartment in operation will be accepted at their issue price, as defined in the "Issue Price" section below, by the Transfer Agent and all other institutions duly authorised by the Fund.

The issue of Shares shall be prohibited during the period where the Fund does not have a depositary and/or where the depositary is put into liquidation or declared bankrupt or seeks an arrangement with creditors, a suspension of payment or a controlled management or is the subject of similar proceedings.

Provided that the securities contributed comply with the investment policy, Shares may be issued in return for a contribution in kind, which will be subject to a report prepared by the Fund's auditor to the extent that it is required by Luxembourg law. Any costs incurred will be borne by the investor.

Subscription requests must be received by the Transfer Agent in relation to a Valuation Day by the relevant cut-off time as specified for each Compartment in the Annex 1 at the latest.

For any subscription request received by the Transfer Agent in relation to a Valuation Day after the relevant cut-off time as specified for each Compartment in the Annex 1, the issue price to be applied will be that calculated as at the next Valuation Day.

The issue price must be paid to the Depositary for Pictet TR referencing the relevant Class(es) of Shares and Compartment(s).

The Fund may reject any application to subscribe for Shares, at its discretion.

The Fund may, at any time and at its discretion, temporarily discontinue, permanently cease or limit the issue of Shares in one or more Compartments to natural or legal entities resident or domiciled in certain countries or territories.

It may also prohibit them from acquiring Shares if such a measure is deemed necessary to protect all Shareholders and the Fund.

The Fund may also issue any restrictions that it deems necessary in order to make sure that no Share of the Fund is acquired or held by (a) any person contravening the laws, regulations or requirements of any country or governmental authority, (b) any person whose situation, in the opinion of the Board of Directors, may result in the Fund, its Shareholders or any of its delegates incurring and liability to taxation, or suffering any sanction, penalty, burden or other disadvantage (whether pecuniary, administrative or operational) or incurring a risk of legal, fiscal or financial consequences that they would not have incurred or suffered otherwise (including but not limited to consequences relating to the Foreign Account Tax Compliance Act or the Common Reporting Standard) or other be detrimental to the interests of the Fund (including its Shareholders) or (c) a United States Person as defined in the Articles of Association. For the reasons outlined in the section "TAX STATUS" below, Shares may not be offered, sold, assigned or delivered to investors who are not i) participating foreign financial institutions ("**PFFIs**"),(ii) deemed-compliant foreign financial institutions, (iii) non-reporting IGA foreign financial institutions, (iv) exempt beneficial owners (v), Active NFFEs or (vi) non-specified US persons, all as defined under FATCA, the US FATCA final regulations and/or any applicable intergovernmental agreement on the implementation of FATCA.

FATCA non-compliant investors may not hold Shares and Shares may be subject to compulsory redemption if this is deemed appropriate for the purpose of ensuring the Fund's compliance with FATCA. Investors will be required to provide evidence of their status under FATCA by means of any relevant tax documents, in particular a "W-8BEN-E" or any other official applicable form from the US Internal Revenue Service that must be renewed on a regular basis according to applicable regulations.

### The fight against money laundering and the financing of terrorism

The AML/CFT Provisions require the Fund, the Management Company or the Transfer Agent to identify Shareholders and they may request additional documents, as it deems necessary, to establish the identity of the investors and beneficial owners in accordance with Luxembourg laws and regulations. In the event that a Shareholder is subscribing into the Fund via an intermediary ("acting on behalf of others") the Fund, the Management Company or the Transfer Agent applies enhanced due diligence on the intermediary in order to ensure that all obligations pursuant to the Luxembourg laws and regulations or at least equivalent laws and regulations are met.

In the event of a delay or failure to provide the required documents, subscription requests will not be accepted, and payment of the redemption price may be delayed.

Neither the Fund, nor the Management Company, the Transfer Agent can be held liable for the delay or non-execution of transactions when the investor has not provided the documents or has provided incomplete documents.

Shareholders may also be asked to provide additional or updated documents in accordance with the obligations for on-going control and supervision in accordance with applicable laws and regulations.

The Fund does not allow practices associated with "Market Timing" and reserves the right to reject any subscription and incoming switch orders from any investor suspected of such practice. The Fund will also take all necessary steps to protect investors.

## ISSUE PRICE

The issue price for Shares in each Compartment is equal to the net asset value of each Share calculated on a forward pricing basis as at the relevant Valuation Day on the relevant Calculation Day.

In accordance with applicable laws and regulations (including but not limited to MiFID),this price may be increased by fees paid to financial intermediaries, which will not exceed 5% of the net asset value per Share for the Compartment in question and will be paid to financial intermediaries and/or distributors involved in the distribution of the Shares.

Front-end load for intermediaries will vary according to the Class of Share, as described in the "Classes of Shares" section.

This issue price will be increased to cover any duties, taxes and stamp duties due.

The Board of Directors will be authorised to apply corrections to the net asset value as described in the section "Swing Pricing Mechanism / Spread" below.

In certain exceptional circumstances, the Board of Directors will also be authorised to apply a dilution levy on the issue of Shares, as described below in the section "Dilution Levy".

## REDEMPTIONS

Shareholders are entitled to apply for the redemption of some or all of their Shares at any time based on the redemption price, as stipulated in the "Redemption Price" section below, by sending the Transfer Agent or other authorised institutions a redemption request accompanied by their Share certificates, if issued.

The redemption of Shares shall be prohibited during the period where the Fund does not have a depositary and/or where the depositary is put into liquidation or declared bankrupt or seeks an arrangement with creditors, a suspension of payment or a controlled management or is the subject of similar proceedings.

Any redemption request is irrevocable unless the determination of the nett asset value is suspended in accordance with the section "Suspension of net asset value calculation, subscriptions, redemptions and switches" below.

Subject to the approval of the Shareholders concerned, the Board of Directors may allow in-kind payment for Shares. The Fund's statutory auditor will report on any such in-kind payment, giving details of the quantity, denomination and valuation method used for the securities in question. The corresponding fees will be charged to the Shareholders in question.

Redemption applications must be received by the Transfer Agent in relation to A Valuation Day by the relevant cut-off time as specified for each Compartment in the Annex 1 at the latest.

For any redemption application received by the Transfer Agent in relation to a Valuation Day after the relevant cut-off time as specified for each Compartment in the Annex 1, the redemption price to be applied will be that calculated as at the next Valuation Day on the relevant Calculation Day.

The equivalent amount paid for Shares submitted for redemption shall be paid by credit transfer in the currency of the Class of Shares in question, or in another currency, in which case any costs for currency conversion will be borne by the Compartment, see "Redemption Price" section below).

## REDEMPTION PRICE

The redemption price for Shares of each Compartment is equal to the net asset value of each Share calculated on a forward pricing basis as of the applicable Valuation Day on the applicable Calculation Day.

In accordance with applicable laws and regulations (including but not limited to MiFID) a commission paid to financial intermediaries and/or distributors may be deducted from this amount, representing up to 3% of the net asset value per Share.

Back-end load for intermediaries will vary according to the Class of Share, as described in the "Classes of Shares" section.

The redemption price will also be reduced to cover any duties, taxes and stamp duties to be paid.

The Board of Directors will be authorised to apply corrections to the net asset value as described in the section "Swing Pricing Mechanism / Spread".

Shares that have been redeemed will be cancelled.

In certain exceptional circumstances, the Board of Directors will also be authorised to apply a "Dilution Levy" on the redemption of Shares, as described below in the section "Dilution Levy".

The redemption price may be higher or lower than the subscription price, depending on changes in the net asset value.

## SWITCH

Subject to meeting the access conditions of a particular Class of Shares and any other restriction disclosed in the Annex 1 to the Prospectus, Shareholders of one

Compartment may ask for some or all of their Shares to be converted into Shares of the same Class of Shares of another Compartment or between Compartments for different Class(es), in which case the switch price will be calculated according to the respective net asset values, which may be increased or reduced, in addition to administrative charges, by the commissions to intermediaries for the Classes and/or Compartments in question. Under no circumstances may these intermediaries' fees exceed 2%.

In case of a conversation in the same Class of another Compartment, no other charge than an administrative fee may be levied.

However, Shares cannot be converted into "J" Shares, unless the Management Company decides otherwise.

Moreover, a switch transaction into Shares of another Compartment is acceptable only between Compartments which have the same Valuation Day and Calculation Day.

Unless otherwise indicated in Annex 1, for any switch application received by the Transfer Agent by the cut-off time specified for each Compartment in Annex 1 at the latest, the redemption price and issue price applicable to a conversation request will be those calculated as at the relevant Valuation Day on the applicable Calculation Day.

The Board of Directors may impose such restrictions as it deems necessary, in particular concerning the frequency of switches, and will be authorised to apply corrections to the net asset value as described in the section "Swing Pricing Mechanism / Spread".

Shares that have been converted into Shares of another Compartment will be cancelled.

In certain exceptional circumstances, the Board of Directors will also be authorised to apply a dilution levy on the switches of Shares, as described below in the section "Dilution Levy".

## DEFERRAL OF REDEMPTION AND SWITCH REQUESTS

If, following redemption or switch requests, it is necessary as at a given Valuation Day to redeem more than 10% of the Shares issued for a given Compartment, the Board of Directors may decide that all redemption and switch requests in excess of this 10% threshold be deferred until the next Valuation Day as at which the redemption price is calculated for the Compartment in question. On that next Valuation Day, redemption or switch applications that have been deferred (and not withdrawn) will have priority over applications received for that particular Valuation Day (which have not been deferred).

## COMPULSORY REDEMPTION OF SHARES

The Fund reserves the right to redeem Shares acquired in breach of an exclusion measure, at any time in accordance with the provisions of the Articles of Association.

In addition, if it appears that a Shareholder in a Class of Shares reserved for Institutional Investors is not such an Institutional Investor or if a Shareholder does not comply (any longer) with any other limitations applicable to a given Class of Shares, the Board of Directors may either redeem the Shares in question using the forced redemption procedure described in the Articles of Association, or concerning the Class of Shares reserved for Institutional Investor, convert these Shares into Shares in a Class of Shares that is not reserved for Institutional Investors (on the condition that there is a Class of Shares with similar characteristics, but for the avoidance of doubt, not necessarily in terms of fees and expenses payable by such Class of Shares), or for the other categories of Classes of Shares convert these Shares in a Class of Shares available to him/her/it.

In these cases, the Board of Directors will notify the relevant Shareholder of this contemplated conversion and the Shareholder concerned will receive a prior notice so as to be able to satisfy the applicable limitation.

## SETTLEMENTS

Issue prices and redemption prices must be paid within the delay specified for each Compartment in the Annex 1.

If, on the settlement, banks are not open for business, or an interbank settlement system is not operational, in the country of the currency of the relevant Compartment or Class of Shares, then settlement will be on the next Week Day on which those banks and settlement systems are open.

## MARKET TIMING AND LATE TRADING

The Fund, the Management Company, the Transfer Agent will ensure that late trading and market timing practices are prevented in connection with the distribution of Shares. The cut-off times for submission of the orders described in the Annex 1 to the Prospectus are strictly respected. Orders are accepted on the condition that the transactions do not affect the interests of other Shareholders. Investors are unaware of the net asset value per Share at the time they submit a request for subscription, redemption or switch. Subscriptions, redemptions and switches are authorised for investment purposes only. The Fund and the Management Company prohibit market timing and other abusive practices.

The repeated purchase and sale of Shares in order to exploit imperfections or deficiencies in the system used to calculate the Fund's net asset value, a practice also known as market timing, may disrupt the portfolio's investment strategies, lead to an increase in costs borne by the Fund, and thus prejudice the interests of the Fund's long-term Shareholders. In order to discourage this practice, in the event of reasonable doubt, and whenever it suspects an investment similar to market timing occurs, the Board of Directors reserves the right to suspend, cancel or refuse all subscription or switch orders submitted by those investors making proven frequent purchases and sales within the Fund.

As the guarantor of the equal treatment of all investors, the Board of Directors will take appropriate measures to ensure that (i) the Fund's exposure to market timing practices is measured in an appropriate, continuous way and (ii) appropriate procedures and checks are in place to minimise the risk of market timing within the Fund.

## CALCULATION OF CALCULATION OF THE NET ASSET VALUE

The Central Administration Agent calculates the net asset value for Shares for each Class of Shares in the currency of the Class of Shares in question as at each Valuation Day.

The net asset value as at a Valuation Day shall be calculated on the Calculation Day.

The net asset value of a Share of each Compartment will be calculated by dividing the net assets of the Compartment in question by the Compartment's total number of Shares in circulation. A Compartment's net assets correspond to the difference between its total assets and total liabilities.

If various Classes of Shares are issued in a given Compartment, the net asset value of each Class of Shares in this Compartment will be calculated by dividing the total net asset value (calculated for the Compartment in question and attributable to this Class of Shares) by the total number of Shares issued for this Class of Shares.

The percentage of the total net asset value of the relevant Compartment that can be attributed to each Class of Shares, which was initially identical to the percentage of the number of Shares represented by the Class of Shares in question, varies according to the level of distribution Shares, as follows:

a. if a dividend or any other distribution is paid out for distribution Shares, the total net assets attributable to the Class of Shares will be reduced by the amount of this distribution (thereby reducing the percentage of the total net assets of the Compartment in question, attributable to the distribution Shares) and the total net assets attributable to accumulation Shares will remain identical (thereby increasing the percentage of the Compartment's total net assets attributable to the accumulation Shares);
b. if the capital of the Compartment in question is increased through the issue of new Shares in one of the Classes, the total net assets attributable to the Class of Shares concerned will be increased by the amount received for this issue;
c. if the Shares of a Class of Shares are redeemed by a given Compartment, the total net assets attributable to the corresponding Class of Shares will be reduced by the price paid for the redemption of these Shares;
d. if the Class of Shares are converted into Shares of another Class of Shares, the total net assets attributable to this Class of Shares will be reduced by the net asset value of the Shares converted while the total net assets attributable to the Class of Shares in question will be increased by the same amount.

The total net assets of the Fund will be expressed in euros and correspond to the difference between the total assets (total wealth) and the total liabilities of the Fund.

For the purposes of this calculation, if the net assets of a Compartment are not expressed in euros, they will be converted to euros and added together.

The assets of each Compartment will be valued as follows:

a. The securities admitted for listing on an official stock exchange or on another regulated market will be valued using the last known price unless this price is not representative.
b. Securities not admitted to such listing or not on a regulated market and securities thus listed but whose last known price is not representative, will be valued at their fair value estimated prudently and in good faith. The Board of Directors may set specific thresholds that, where exceeded, will trigger an adjustment to the value of these securities to their fair value.
c. The value of any cash in hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, dividends and interest declared or accrued and not yet obtained, will be constituted by the nominal value of the assets, unless it appears unlikely that this amount will be obtained, in which case the value will be determined after deducting the amount that the Board of Directors deems appropriate to reflect the true value of these assets.
d. Money market instruments will be valued using the amortised cost method at their nominal

value plus any accrued interest or the "mark-to-market" method. When the market value is different to the amortised cost, the money market instruments will be valued using the mark-to-market method.

e. Securities expressed in a currency other than that of the reference Compartment will be converted to the currency of that Compartment at the applicable exchange rate.

f. Units/shares issued by open-ended-type undertakings for collective investment:

   › on the basis of the last net asset value known by the Central Administration Agent, or

   › on the basis of the net asset value estimated on the closest date to the relevant Compartment's Valuation Day.

g. The value of companies that are not admitted for listing on an official or regulated market may be determined using a valuation method proposed in good faith by the Board of Directors based on the last audited annual financial statements available, and/or on the basis of recent events that may have an impact on the value of the security in question and/or on any other available valuation. The choice of method and of the medium allowing the valuation will depend on the estimated relevance of the available data. The value may be corrected according to any unaudited periodic financial statements available. If the Board of Directors deems that the price is not representative of the probable selling value of such a security, it will then estimate the value prudently and in good faith on the basis of the probable selling price.

h. The value of forward contracts (futures and forwards) and option contracts traded on a regulated market or a securities exchange will be based on the closing or settlement prices published by the regulated market or securities exchange that as a general rule constitutes the principal place for trading those contracts. If a forward contract or option contract cannot be liquidated on the valuation date of the net assets in question, the criteria for determining the liquidation value of the forward or option contract will be set by the Board of Directors in a reasonable and equitable manner. Forward contracts and option contracts that are not traded on a regulated market or on a securities exchange will be valued at their liquidation value determined in accordance with the rules established in good faith by the Board of Directors and according to standard criteria for each type of contract.

i. The expected future flows, to be received and paid by the Compartment pursuant to swap contracts, will be valued at their updated values.

j. When it deems necessary, the Board of Directors may establish a valuation committee whose task will be to estimate prudently and in good faith the value of certain securities.

In circumstances where the interests of the Fund and / or its Shareholders so justify (including but not limited to avoidance of market timing practices or where the determination of the values on the basis of the criteria specified above is not possible or inadequate), the Board of Directors is authorised to adopt any other appropriate principles to calculate the fair value of the assets of the relevant Compartment.

If there is no bad faith or obvious error, the valuation determined by the Central Administration Agent will be considered as final and will be binding on the Compartment and/or Class of Shares and its Shareholders.

## SWING PRICING MECHANISM / SPREAD

Portfolio transactions triggered by subscriptions and redemptions (subscriptions and redemptions being referred hereinafter as “capital activity”) are liable to generate expenses as well as a difference between the trading price and the valuation of investments or divestments. To protect existing or remaining Shareholders in a Compartment against this adverse effect, called "dilution", investors entering into that Compartment or Shareholders exiting it may have to bear the cost of these negative effects. These costs (estimated at a flat rate or effective value) may be invoiced separately or charged by adjusting the net asset value of the relevant Compartment either down or up (swing pricing mechanism).

In order to protect Shareholders, the Management Company has established and implemented a swing pricing mechanism policy governing the application of the swing pricing mechanism. This policy will be reviewed and revised periodically.

The Management Company may decide to apply a partial swing. In such case, the net asset value of the relevant Compartment will be adjusted if on a specific Valuation Day the capital activity for that Compartment results in a net increase or decrease of cash flow exceeding a predetermined threshold (known as swing threshold) expressed as a percentage of the net asset value of the relevant Compartment. The swing threshold is determined by the Management Company in accordance with the Management Company’ swing pricing mechanism policy.

The adjustment, known as the swing factor, can reflect the estimated fiscal charges and dealing costs that may be incurred by the Compartment and/or the estimated bid/offer spread of the assets in which the Compartment invests. The swing factor is determined by the Management Company in accordance with the Management Company' swing pricing mechanism policy. Unless otherwise specified in the Annexes, the adjustment will not exceed 2% of the net asset value of the relevant Compartment. The net asset value of the relevant Compartment will be adjusted upward or downward using the swing factor depending on the net capital activity of the relevant Valuation Day.

The swing pricing mechanism is applied by the Central Administration Agent under the supervision of the Management Company.

Swing pricing mechanism is applied at the level of a Compartment (not at the Share Class level) and does not address the specific circumstances of each individual investor transaction. The swing pricing mechanism is not designed to provide a full protection of Shareholders against dilution.

The swing pricing mechanism may be applied for all the Compartments.

These procedures apply in an equitable manner to all Shareholders of a same Compartment on the same Valuation Day.

Any applicable performance fee will be charged based on the unswung net asset value of the relevant Compartment.

The Board may decide to increase the maximum adjustment limit (invoiced separately or charged by adjusting the net asset value) stated in the Prospectus in exceptional circumstances and on a temporary basis, to protect Shareholders' interests.

## DILUTION LEVY

In certain exceptional circumstances such as, for example:

- significant trading volumes, and/or
- market disturbances, and
- in any other cases when the Board of Directors deems, at its sole discretion, that the interest of the existing Shareholders (concerning issues/switches) or of the remaining Shareholders (concerning redemptions/switches) might be negatively affected,

the Board of Directors will be authorised to charge a dilution levy for a maximum of 2% of the value of the net asset value on the issue, redemption and/or switch price.

In cases when it is charged, this dilution levy will equitably apply, as at a given Valuation Day, to all investors of the relevant Compartment having sent a subscription/ redemption or switch request. It will be paid to the Compartment and will become an integral part of that Compartment.

The dilution levy thus applied will be calculated with reference in particular to market effects as well as to the dealing costs incurred for transactions on the underlying investments for the Compartment, including any applicable commissions, spreads and transfer taxes.

The dilution levy may be cumulative with the corrections to the net asset value as described in the section "Swing Pricing Mechanism / Spread" above.

## SUSPENSION OF THE NET ASSET VALUE CALCULATION, SUBSCRIPTIONS, REDEMPTIONS AND SWITCHES

The Fund may suspend the calculation of the net asset value of Shares in any Compartment or, if the context so requires, of a Class of Shares and the issue and redemption of Shares in this Compartment (or Class of Shares), as well as switch from and into these Shares in the following cases:

a. When one or more stock exchanges or markets on which a significant percentage of the Fund's assets are valued or one or more foreign exchange markets in the currencies in which the net asset value of Shares is expressed or in which a substantial portion of the Fund's assets is held, are closed, other than for normal holidays or if dealings on them are suspended, restricted or subject to major fluctuations in the short term.

b. When, as a result of political, economic, military, monetary or social events, strikes or any other cases of *force majeure* outside the responsibility and control of the Fund, the disposal of the Fund's assets is not reasonably or normally practicable without being seriously detrimental to Shareholders' interests.

c. When there is a breakdown in the normal means of communication used to calculate the value of an asset in the Fund or if, for whatever reason, the value of an asset in the Fund cannot be calculated as promptly or as accurately as required.

d. When, as a result of currency restrictions or restrictions on the movement of capital, transactions for the Fund are rendered impracticable, or purchases or sales of the Fund's assets cannot be carried out at normal rates of exchange.

e. In the event of the publication (i) of a notice of a general meeting of Shareholders at which the dissolution and the liquidation of the Fund or of a Class of Shares or of a Compartment are proposed or (ii) of a notice informing the Shareholders of the Board of Directors' decision to liquidate one or more Compartment(s) and / or Classes of Shares, or, to the extent that such a suspension is justified by the need to protect Shareholders, (iii) of a notice of a general meeting of Shareholders called to decide on the merger of the Fund or of one or more Compartment(s) or the split / consolidation of one or more Classes of Shares; or (iv) of a notice informing the Shareholders of the Board of Directors' decision to merge one or more Compartments or to split / consolidate one or more Classes of Shares.

f. When for any other reason, the value of the assets or of the debts and liabilities attributable respectively to the Fund or to the Compartment in question cannot be quickly or accurately determined.

g. During any period when the determination of the net asset value per Share of investment funds representing a material part of the assets of the relevant Class of Shares is suspended.

h. For any other circumstance in which failure to suspend could result, either for the Fund, one of its Compartments, Classes of Shares, or its Shareholders, in certain liabilities, financial disadvantages or any other harm for the Fund that the Compartment, Class of Shares, or its Shareholders would not otherwise experience.

For Compartments which invest their assets through a company wholly controlled by the Fund, only the underlying investments will be taken into account for the implementation of the above restrictions and the intermediary company will be treated as though it did not exist.

In such cases, Shareholders who have submitted applications to subscribe to, redeem or convert Shares in Compartments affected by the suspension measures will be notified.

## MANAGEMENT AND ADMINISTRATION STRUCTURE

### The Board of Directors

The Board of Directors is responsible for administering and managing the Fund and running its operations, as well as deciding on and implementing its investment policy.

As allowed in the 2010 Act, the Board of Directors has designated a management company.

### The Management Company

Pictet Asset Management (Europe) S.A. (formerly Pictet Funds (Europe) S.A.), a limited company (*société anonyme*) with registered office located at 6B, rue du Fort Niedergruenewald, L-2226 Luxembourg, has been designated as the management company, as defined in Chapter 15 of the 2010 Act.

Pictet Asset Management (Europe) S.A. was created on 14 June 1995 for an indefinite period, under the name of Pictet Balanced Fund Management (Luxembourg) S.A. as a limited company (*société anonyme*) governed by the laws of the Grand Duchy of Luxembourg.

### Remuneration Policy

The Management Company has established remuneration policies for those categories of staff, including senior management, risk takers, control functions, and any employees receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers whose professional activities have a material impact on the risk profiles of the Management Company or the Fund, that are consistent with and promote a sound and effective risk management and do not encourage risk-taking which is inconsistent with the risk profiles of the Fund or with its Articles of Association and which do not interfere with the obligation of the Management Company to act in the best interests of the Fund.

The Management Company remuneration policy, procedures and practices are designed to be consistent and promote sound and effective risk management. It is designed to be consistent with the Management Company's business strategy, values and integrity, and long-term interests of its clients, as well as those of the wider Pictet Group. The Management Company remuneration policy, procedures and practices also (i) include an assessment of performance set in a multi-year framework appropriate to the holding period recommended to the investors of the Fund in order to ensure that the assessment process is based on the longer-term performance of the Fund and its investment risks and (ii) appropriately balance fixed and variable components of total remuneration.

The details of the up-to-date remuneration policy of the Management Company, including, but not limited to, a description of how remuneration and benefits are calculated, individuals responsible for awarding the remuneration and benefits, including, as the case may be, the composition of the remuneration committee, are available at https://www.am.pictet/en/luxembourg/global-articles/ucits-remuneration-disclosure. A paper copy is made available free of charge upon request at the Management Company's registered office.

#### *Management Activity*

The objective of the Management Company is to manage undertakings for collective investment in compliance with the UCITS. This management activity includes the management, administration and marketing of undertakings for collective investment such as the Fund. As part of the activity, the Management Company is obliged to analyse the money laundering/financial terrorism risks inherent to the investment activity as per the AML/CFT Provisions and establish appropriate due diligence measures adapted to the risks assessed per asset type encompassing:

**a.** Applicable due diligence based on the risk based approach;

**b.** Controls on assets and parties linked to the transactions (where applicable to the asset type) for the attention of trade, financial and immigration sanctions as well as prevention of proliferation financing

Pre-trade screening is performed prior to the investment and on a regular basis in accordance with Luxembourg laws and regulations.

The due diligence performed on unlisted assets is adjusted to the risk based approached (as noted above) with certain considerations not limited to, but at least the country of the issuer and the presence of a regulated intermediary.

A list of funds managed by the Management Company is available at the registered office of the Management Company.

The Management Company may delegate part or all of the portfolio management of Compartments to the companies listed hereafter, as further specify in the Annexes. This delegation is made according to the provisions of the 2010 Act and the terms of the contracts concluded for an indefinite period that may be cancelled by either party at any time with 3- or 6-months' notice depending on the terms in the contract.

When more than one Manager (including the Management Company as the case may be) provide investment management services for one compartment, the portfolio managers are spread across several locations but act as one single team looking after the compartments' assets.

In practice, investment management is looked at globally, usually by transversal committees, to ensure common views and practices are developed.

› *Pictet Asset Management SA, Geneva ("PICTET AM SA")*

PICTET AM SA is a Swiss based fund distributor and investment manager that carries out asset management activities for an international client base, mainly focusing on equity, fixed income, quantitative and total return asset classes, together with the execution of trades for other PICTET AM group entities. PICTET AM SA is regulated for business in Switzerland by the Swiss Financial Markets Supervisory Authority.

› *Pictet Asset Management Limited ("PICTET AM Ltd")*

PICTET AM Ltd is a UK registered company that carries out asset management activities for an international client base, mainly focusing on equity and fixed income asset classes, together with the execution of trades for other Pictet Asset Management group entities. PICTET AM Ltd is regulated for business in the UK by the Financial Conduct Authority (FCA). PICTET AM Ltd is also approved by the CSRC as QFII and RQFII, and under the prevailing PRC regulations, PICTET AM Ltd will be regarded as a QFI license holder automatically.

› *Pictet Asset Management (Singapore) Pte. Ltd. ("PICTET AMS")*

PICTET AMS is a private limited company created in Singapore which is regulated by the Monetary Authority of Singapore. The activities of PICTET AMS are portfolio management focussing primarily on sovereign and corporate fixed income and the execution of orders on Asian fixed income products initiated by other entities of the Pictet Asset Management group entities.

› *Pictet Asset Management (Hong Kong) Limited ("PICTET AM HK")*

PICTET AM HK is a Hong Kong-licensed company subject to the oversight of the Hong Kong Securities and Futures Commission and authorised by the latter to conduct type 1 (dealing in securities), type 2 (dealing in futures contracts), type 4 (advising on securities) and type 9 (asset management) regulated activities as at the date of the Prospectus. The company's principal fund management activities relate to Asian and particularly Chinese equity and debt funds. The distribution of the investment funds of the Pictet Group also forms part of its activities.

› *Pictet Asset Management (Japan) Ltd. ("PICTET AMJ")*

Pictet AMJ is a registered asset management company in Japan that carries out asset management activities for retail and institutional investors through wholesale and direct distribution channel, and mainly focuses on equity, fixed income and alternative investment management. PICTET AMJ is regulated by the Financial Services Agency of Japan.

› *› Pictet Asset Management (USA) Corp. ("PICTET AM US")*

PICTET AM US is a US corporation which is registered as an investment adviser with the Securities & Exchange Commission. The activities of PICTET AM US are portfolio management focussing primarily on emerging market sovereign and corporate fixed income and the distribution of (a) the investment funds of the Pictet Group and (b) the investment strategies of the PICTET AM group.

The Managers may enter into soft commission agreements only when these agreements bring a direct and identifiable advantage to their clients, including the Fund, and when the Managers are convinced that the transactions giving rise to the soft commissions will be conducted in good faith, in strict compliance with the applicable regulatory provisions and in the best interests of the Fund. The Managers may enter into such agreements to the extent permitted by and on terms and conditions compliant with best market practice and applicable laws and regulations.

Supervision of the delegated management activities is solely the responsibility of the Management Company.

### Transfer, Registrar and Paying Agent

The transfer agency function of the Fund is delegated to the Transfer Agent.

The Transfer Agent has been designated as transfer, registrar and paying agent, under the terms of agreements concluded for indefinite periods.

The Transfer Agent is a limited company (*société anonyme*) with registered office located at 15, avenue J. F. Kennedy, Luxembourg. It is a management company, as defined in Chapter 15 of the 2010 Act.

FundPartner Solutions (Europe) S.A., wholly owned by the Pictet Group, was incorporated on 17 July 2008 for an indefinite period.

As keeper of the register and transfer agent, the Transfer Agent is primarily responsible for ensuring the issue, switch and redemption of Shares and maintaining the register of Shareholders of the Fund.

### Central Administration

The Central Administration Agent performs the functions of administrative agent, pursuant to an agreement between the Management Company, the Fund and the Central Administration Agent dated 8 March 2013. This agreement may be terminated by each of the parties by means of prior notice of ninety (90) days (as stipulated in the applicable contractual provisions).

In this context, BNP Paribas, Luxembourg Branch performs administrative functions required by the 2010 Act such as the accounting of the Fund and calculation of the net asset value per Share.

### Distribution

Shares will be distributed by the Distributor.

The Distributor may conclude distribution agreements with any professional agent, particularly banks, insurance companies, “internet supermarkets”, independent managers, brokers, management companies or any other institution whose primary or secondary activity is the distribution of investment funds and customer service.

### Investment Advisers

The Management Company may be assisted by one or more internal or external investment advisers of the Pictet Group whose mission is to advise the Management Company on the Fund’s investment opportunities.

### The Depositary Bank

BNP Paribas, Luxembourg Branch is a branch of BNP Paribas. BNP Paribas is a licensed bank incorporated in France as a Société Anonyme (public limited company) registered with the Registre du commerce et des sociétés Paris (Trade and Companies’ Register) under number No. 662 042 449, authorised by the Autorité de Contrôle Prudentiel et de Résolution (ACPR) and supervised by the Autorité des Marchés Financiers (AMF), with its registered address at 16 Boulevard des Italiens, 75009 Paris, France, acting through its Luxembourg Branch, whose office is at 60, avenue J.F. Kennedy, L-1855 Luxembourg, Grand-Duchy of Luxembourg, registered with the Luxembourg Trade and Companies’ Register under number B23968 and supervised by the Commission de Surveillance du Secteur Financier (the “CSSF”).

BNP Paribas, Luxembourg Branch has been appointed as the Depositary Bank of the Fund under the terms of a written agreement signed on 30 June 2016, between the Depositary Bank, the Management Company and the Fund.
The Depositary Bank performs three types of functions, namely (i) the oversight duties (as defined in Art 34(1) of the 2010 Act, (ii) the monitoring of the cash flows of the Fund (as set out in Art 34(2) of the 2010 Act) and (iii) the safekeeping of the Fund’s assets (as set out in Art 34(3) of the 2010 Act).

Under its oversight duties, the Depositary Bank is required to:

1. ensure that the sale, issue, repurchase, redemption and cancellation of Shares effected on behalf of the Fund are carried out in accordance with the 2010 Act or with the Articles of Association,
2. ensure that the value of Shares is calculated in accordance with the 2010 Act and the Articles of Association,
3. carry out the instructions of the Fund or the Management Company acting on behalf of the

Fund, unless they conflict with the 2010 Act or the Articles of Association,

4. ensure that in transactions involving the Fund's assets, the consideration is remitted to the Fund within the usual time limits;
5. ensure that the Fund's revenues are allocated in accordance with the 2010 Act and its Articles of Association.

The Depositary Bank shall provide the Management Company or the Fund on a regular basis with a comprehensive and up-to-date inventory of all the assets of the Fund.

The overriding objective of the Depositary Bank is to protect the interests of the Shareholders, which always prevail over any commercial interests.

Conflicts of interest may arise if and when the Management Company or the Fund maintains other business relationships with BNP Paribas, Luxembourg Branch in parallel with an appointment of BNP Paribas, Luxembourg Branch acting as Depositary Bank.

Such other business relationships may cover services in relation to

- › Outsourcing/delegation of middle or back-office functions (e.g. trade processing, position keeping, post trade investment compliance monitoring, collateral management, OTC valuation, fund administration inclusive of net asset value calculation, transfer agency, fund dealing services) where BNP Paribas or its affiliates act as agent of the Fund or the Management Company, or
- › Selection of BNP Paribas or its affiliates as counterparty or ancillary service provider for matters such as foreign exchange execution, securities lending, bridge financing.

The Depositary Bank is required to ensure that any transaction relating to such business relationships between the Depositary Bank and an entity within the same group as the Depositary Bank is conducted at arm's length and is in the best interests of Shareholders.

In order to address any situations of conflicts of interest, the Depositary Bank has implemented and maintains a management of conflicts of interest policy, aiming namely at:

- › Identifying and analysing potential situations of conflicts of interest;
- › Recording, managing and monitoring the conflict-of-interest situations either in:
  - – Relying on the permanent measures in place to address conflicts of interest such as segregation of duties, separation of reporting lines, insider lists for staff members;
  - – Implementing a case-by-case management to (i) take the appropriate preventive measures such as drawing up a new watch list, implementing a new Chinese wall (i.e. by separating functionally and hierarchically the performance of its Depositary duties from other activities), making sure that operations are carried out at arm's length and/or informing the concerned Shareholders, or (ii) refuse to carry out the activity giving rise to the conflict of interest;
  - – Implementing a deontological policy;
  - – Recording of a cartography of conflict of interests permitting to create an inventory of the permanent measures put in place to protect the Fund's interests; or
  - – Setting up internal procedures in relation to, for instance (i) the appointment of service providers which may generate conflicts of interests, (ii) new products/activities of the Depositary Bank in order to assess any situation entailing a conflict of interest.

In the event that such conflicts of interest do arise, the Depositary Bank will undertake to use its reasonable endeavours to resolve any such conflicts of interest fairly (having regard to its respective obligations and duties) and to ensure that the Fund and the Shareholders are fairly treated.

The Depositary Bank may delegate to third parties the safe keeping of the Fund's assets subject to the conditions laid down in the applicable laws and regulations and the provisions of the Depositary Agreement. The process of appointing such delegates and their continuing oversight follows the highest quality standards, including the management of any potential conflict of interest that should arise from such an appointment. Such delegates must be subject to effective prudential regulation (including minimum capital requirements, supervision in the jurisdiction concerned and external periodic audit) for the custody of financial instruments. The

Depositary Bank's liability shall not be affected by any such delegation.

A potential risk of conflicts of interest may occur in situations where the delegates may enter into or have separate commercial and/or business relationships with the Depositary Bank in parallel to the custody delegation relationship.

In order to prevent such potential conflicts of interest from crystalizing, the Depositary Bank has implemented and maintains an internal organisation whereby such separate commercial and/or business relationships have no bearings on the choice of the delegate or the monitoring of the delegates' performance under the delegation agreement.

A list of these delegates and sub-delegates for its safekeeping duties is available on the website https://securities.cib.bnpparibas/app/uploads/sites/3/2021/11/ucitsv-list-of-delegates-sub-delegates-en.pdf

Such list may be updated from time to time. Updated information on the Depositary Bank's custody duties, a list of delegations and sub-delegations and conflicts of interest that may arise may be obtained, free of charge and upon request, from the Depositary Bank.

Updated information on the Depositary Bank's duties and the conflict of interests that may arise are available to investors upon request.

BNP Paribas, Luxembourg Branch, being part of a group providing clients with a worldwide network covering different time zones, may entrust parts of its operational processes to other BNP Paribas Group entities and/or third parties, whilst keeping ultimate accountability and responsibility in Luxembourg. More pertinently, entities located in France, Belgium, Spain, Portugal, Poland, USA, Canada, Singapore, Jersey, United Kingdom, Luxembourg, Germany, Ireland and India are involved in the support of internal organisation, banking services, central administration and transfer agency service. Further information on BNP Paribas, Luxembourg Branch international operating model may be provided upon request by the Company and/or the Management Company.

The Management Company acting on behalf of the Fund may release the Depositary Bank from its duties with ninety (90) days written notice to the Depositary Bank. Likewise, the Depositary Bank may resign from its duties with ninety (90) days written notice to the Fund. In that case, a new depositary bank must be designated to carry out the duties and assume the responsibilities of the Depositary Bank, as defined in the agreement signed to this effect. The replacement of the Depositary Bank shall happen within two months.

If notice of termination is given by the Depositary Bank:

- The Fund shall, within sixty (60) days following receipt of such notice, specify the name of the persons to whom all securities and cash shall be delivered or paid. In such case, the Depositary Bank shall, subject to the satisfaction of amounts owed to it under the agreement, deliver such securities and cash to the persons so specified. If within sixty (60) days following the receipt of a notice of termination by the Depositary Bank, the Depositary Bank does not receive from the Fund the names of the persons to whom such securities and cash should be delivered, the Depositary Bank, at its election, may deliver such securities and cash to a bank or any other securities custodian doing business in the jurisdiction of the location of the securities pursuant to the provisions of the agreement or may continue to hold such securities and cash until the names of such persons are delivered to the Depositary Bank;
- If notice of termination is given by the Fund, the Depositary Bank, subject to the payment of all amounts due to it under this agreement, shall deliver such securities and cash, to the persons specified by the Fund, which shall accompany such notice of termination;
- If the Depositary Bank resigns from its duties, it shall not be released of its obligations until the persons to whom all securities and cash shall be delivered have been designated and/or all the Fund's assets have been transferred thereto, in accordance with the terms of the agreement;
- Unclaimed dividends shall be transferred to the persons to whom all securities and cash shall be delivered and/or all the Fund's assets have been transferred to and/or financial agent (if any).

### Statutory Auditor

These duties have been assigned to Deloitte Audit S.à r.l., 20 Boulevard de Kockelscheuer, L-1821 Luxembourg, Grand Duchy of Luxembourg.

## SHAREHOLDER RIGHTS AND INFORMATION

### Shares

The Shares of each Class of Shares are issued in registered form only, without any par value and fully paid up.

Fractions of Shares may be issued up to a maximum of five decimal places. They are recorded in a Shareholder register, kept at the Fund's registered office. Shares redeemed by the Fund will be cancelled.

All Shares are freely transferable and entitle holders to an equal proportion in any profits, liquidation proceeds and dividends for the Compartment in question.

Each Share is entitled to a single vote. Shareholders will also be entitled to the general Shareholders' rights provided for under the 1915 Law, as amended, with the exception of the preferential subscription right for new Shares.

To the extent permitted by law, the Board of Directors may suspend the right to vote of any Shareholder which does not fulfil its obligations under the Articles of Association or any document (including any applications forms) stating its obligations towards the Fund and/or the other Shareholders. Any Shareholder may undertake (personally) to not exercise his voting rights on all or part of his Shares, temporarily or indefinitely.

Shareholders will only receive confirmation of their inclusion in the register.

### General Shareholders' Meeting

The Annual General Meeting is held every year on 20 April at 10:00 am at the Fund's registered office or at any other location in Luxembourg, as specified on the invitation to attend the meeting.

If that day is not a Banking Day, the meeting will be held on the following Banking Day.

To the extent allowed by Luxembourg laws and regulations, the Annual General Meeting may be held at a date, time and place other than those described in the paragraph above. This other date, time and place will be determined by the Board of Directors.

Convening notices will be sent to all registered Shareholders at least 8 days prior to the relevant meeting. These notices will include details of the time and place of the meeting, the agenda, conditions for admission and requirements concerning the quorum and majority as laid down by Luxembourg law.

All decisions by Shareholders regarding the Fund will be taken at the general meeting of all Shareholders, pursuant to the provisions of the Articles of Association and Luxembourg law. All decisions that only concern the Shareholders of one or more Compartments may be taken – as authorised by law – by the Shareholders of the relevant Compartments. In this case, the quorum and majority requirements stipulated in the Articles of Association will apply.

In case the voting rights of one or more Shareholders are suspended such Shareholders shall be convened and may attend the general meeting but their Shares shall not be taken into account for determining whether the quorum and majority requirements are satisfied.

### Shareholders information

The Fund draws the investors' attention to the fact that any investor will only be able to fully exercise his investor rights directly against the Fund, notably the right to participate in general Shareholders' meetings if the investor is registered himself and in his own name in the Shareholders' register of the Fund. In cases where an investor invests in the Fund through an intermediary investing into the Fund in his own name but on behalf of the investor, it may not always be possible for the investor to exercise certain Shareholder rights directly against the Fund. Investors are advised to take advice on their rights.

## KEY INVESTOR INFORMATION DOCUMENT

According to the 2010 Act, the KI(I)D must be provided to investors in good time before their proposed subscription for Shares.

Before investing, investors are invited to visit the Management Company website www.assetmanagement.pictet and download the relevant KI(I)D prior to any application. The same diligence is expected from the investor wishing to make additional subscriptions in the future since updated versions of the KI(I)D will be published from time to time. A hard copy can be supplied to investors on request and free of charge at the registered office of the Fund.

The above shall apply mutatis mutandis in case of switch.

Depending on applicable legal and regulatory requirements (comprising but not limited to MiFID) in the countries of distribution, Mandatory Additional Information may be made available to investors under the responsibility of local intermediaries / distributors.

## PERIODIC REPORTS AND PUBLICATIONS

The Fund will publish audited annual reports within four months of the end of the fiscal year and unaudited semi-annual reports within two months of the end of the reference period.

The annual report includes the financial statements for the Fund and each Compartment.

These reports will be made available to Shareholders at the Fund's registered office and from the Depositary Bank and foreign agents involved in marketing the Fund abroad.

The net asset value per Share of each Compartment (or each Class of Shares) and the issue and redemption price are available from the Depositary Bank and the foreign agents involved in marketing the Fund abroad.

Information to Shareholders relating to their investment in the Compartments may be sent to their attention and/or published on the website www.assetmanagement.pictet. In case of material change and/or where required by the CSSF or by Luxembourg law, Shareholders will be informed via a notice sent to their attention or in such other manner provided for by the applicable law.

## DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are deposited at the Depositary Bank and at the registered office of the Fund:

1. The Articles of Association;
2. The latest annual report and the latest semi-annual report if more recent than the former;
3. The Management Company agreement between the Fund and the Management Company;
4. The Depositary Bank agreement concluded between BNP Paribas, Luxembourg Branch and the Fund.

## QUERIES AND COMPLAINTS

Any person who would like to receive further information regarding the Fund including the strategy followed for the exercise of voting rights of the Fund, the active ownership policy, the conflict of interest policy, the best execution policy and the complaints resolution procedure or who wishes to make a complaint about the operations of the Fund should contact the Head of Compliance of the Management Company, i.e. Pictet Asset Management (Europe) S.A., 6B, rue du Fort Niedergruenewald, L-2226 Luxembourg, Grand Duchy of Luxembourg. The details of the active ownership policy is available at https://documents.am.pictet/library/en/other?documentTypes=RI_POLICY&businessLine=PAM , the complaints resolution procedure of the Management Company as well as the details of the CSSF out-of-court complaint resolution procedure are available at https://am.pictet/en/luxembourg/articles/complaint-resolution-procedure. A copy of these documents can also be obtained free of charge upon request.

## FUND EXPENSES

### Remuneration of the service providers

A service fee will be paid to the Management Company in payment for the services provided by it to the Fund. This fee will also enable the Management Company to remunerate the Central Administration Agent and the Transfer Agent.

The Management Company will also receive management fees from the Compartments and, in some cases, performance fees, to remunerate the Managers, the investment advisers and together with the Fund, the distributors, if any, in accordance with applicable laws and regulations (including but not limited to MiFID).

In payment for its custodial services, the Depositary Bank will charge a fee for the deposit of assets and the safekeeping of securities.

Service, management and depositary bank fees are charged to a Compartment's Classes of Shares in proportion to its net assets and are calculated on the average of the net asset values of these Classes of Shares.

Transaction fees will also be charged at rates fixed by common agreement.

For details of the management and Depositary Bank fees, please refer to Annex 1.

The rate indicated in the Annexes for the Depositary Bank fee does not include VAT.

### Other expenses

Other costs charged to the Fund may include:

1. **Operating costs**
   - Fees and expenses relating to investment research;
   - Fees and charges on transactions involving securities in the portfolio including:

a. brokerage fees and commissions,

b. transaction costs associated with buying and selling Compartment assets, including interest, taxes, governmental duties, charges and levies,

c. other transaction related costs and expenses.

2. **Functional costs**.
   - Out of pocket expenses reasonably incurred by the Central Administration Agent and the Depositary Bank not included in the Depositary Fees or the Central Administration Agent fees;
   - All fees and expenses incurred by the domiciliation agent and Paying Agent;
   - All fees and expenses to legal and professional advisers;
   - All fees and expenses of the client window agents:
   - Fees paid to independent directors including reasonable out of pocket expenses paid to independent directors and insurance linked to the directorship;

- All fees and expenses incurred by Shareholder service providers such as broker dealers, clearing platforms are record owners of the Compartment' Shares and provide sub-accounting services to the beneficial owners of those shares;
- The fees and out of pocket expenses of the facilities or local paying agents and representatives;
- Advertising fees and expenses, other than those specified above, relating directly to the offer or distribution of Shares;
- Remuneration of the Depositary Bank's correspondents;
- Litigation expenses and expert appraisals;
- Fees and expenses reasonably incurred in relation to distribution services that would not be borne by the Management Company out of its management fees up to a maximum of 0.05% p.a. of the Fund's net assets;
- All fees and expenses in relation to documentation, such as preparing, printing and distributing the Prospectus, KI(I)Ds or any other offering document, as well as financial statements, shareholder's reports and any other documents made available to Shareholders;
- All fees in relation to the publication of the Share prices, and costs of postage, telephone, facsimile transmission and other electronic means of communication;
- All fees and expenses incurred by reporting in relation to distribution:
- Any extraordinary expenses or other unforeseen charges.

3. **Regulatory costs**.
    - All fees and expenses of the auditors;
    - All fees and expenses in relation to regulatory reporting;
    - All expenses related to the registration and maintenance of the Fund with supervisory authorities and stock exchanges, including translation expenses;
4. All taxes and duties that may be due on the Fund's assets or income earned by the Fund, in particular the subscription tax

Expenses not disclosed above may include any other fees as deemed approved by the management of the Fund.

All recurring expenses will be charged first to the Fund's income, then to realised capital gains, then to the Fund's assets. All other expenses may be amortised over a maximum of five years.

When calculating the net asset values of the various Compartments, expenses will be divided among the Compartments in proportion to the net assets of these Compartments, unless these expenses relate to a specific Compartment, in which case they will be allocated to that Compartment.

### Division into Compartments

For each Compartment, the Board of Directors will create a group of distinct assets, within the meaning of the 2010 Act. The assets of a Compartment will not include any liabilities of other Compartments. The Board of Directors may also create two or more Classes of Shares within each Compartment and:

a. Proceeds from the issue of Shares of a particular Compartment will be booked under the Compartment in question in the Fund's accounts and, if relevant, the corresponding amount will accrue to the net assets of the Compartment in question, and the assets, liabilities, income and expenses relating to this Compartment will be allocated to it in accordance with the provisions of this Article. If there are several Classes of Shares in such a Compartment, the corresponding amount will increase the proportion of the net assets of the Compartment in question and will be assigned to the Class of Shares concerned.

b. If an asset is derived from another asset, this derivative asset will be allocated in the books of the Fund to the Compartment or Class of Shares to which the asset from which it is derived belongs and, each time an asset is revalued, the increase or decrease in value will be allocated to the corresponding Compartment or Class of Shares.

c. If the Fund is charged with a liability attributable to an asset from a particular Compartment or a specific Class of Shares or to an operation carried out in relation to the assets of a particular Compartment or particular Class of Shares, that liability will be allocated to the Compartment or Class of Shares in question.

d. Where a Fund's asset or liability cannot be allocated to a particular Compartment, that asset or liability will be allocated in equal Shares to all

Compartments or allocated in such a way as the Board of Directors determines prudently and in good faith.

e. The costs incurred for setting up a new Compartment or restructuring will, where applicable, be allocated to the new Compartment and may be amortised over a five-year period.

## TIME LIMITATION

Claims of Shareholders against the Board of Directors, the Depositary Bank, the Central Administration Agent or the Transfer Agent will lapse five years after the date of the event that gave rise to the rights claimed.

## TAX STATUS

### Taxation of the Fund

The Fund is subject to Luxembourg tax legislation.
The Fund is not subject to taxation in Luxembourg on its income, profits or gains.

The Compartments are subject to subscription tax (taxe d'abonnement) levied at the rate of 0.05% per annum based on their net asset value at the end of the relevant quarter, calculated and paid quarterly. This subscription tax will however be reduced to 0.01% for Compartments or Classes of Shares reserved to Institutional Investors. A subscription tax exemption is applicable to the portion of any Compartment's assets invested in other Luxembourg investment funds subject to the subscription tax.

As from January 1st, 2021, a progressively decreasing subscription tax rate (from 0.05% down to 0.01%) applies on the portion of a Compartment's assets invested in sustainable economic activities, as defined by Article 3 of the EU Regulation 2020/852.

### Taxation of the investments

Interest and dividend income received by the Compartments may be subject to non-recoverable withholding tax in the source countries. The Compartments may further be subject to tax on the realised or unrealised capital appreciation of their assets in the countries of the Investments. However, the Compartments benefit from certain double tax treaties signed by Luxembourg providing for an exemption or reduction of withholding tax.

The Management Company and/or the Managers reserve the right to book tax accruals on gains, thus impacting the valuation of the relevant Compartments. With the uncertainty of whether and how certain gains are to be taxed, any provision for taxation made by the Management Company and/or the Managers may be excessive or inadequate to meet final tax liabilities on gains.

Finally, some countries' specific tax considerations may further be described in the section "Specific risks" of the Prospectus.

### Taxation of the investors

Distributions by the Compartments as well as liquidation proceeds and capital gains derived therefrom are made free and clear from withholding tax in Luxembourg.

Prospective investors should consult their own professional advisers as to the implications of buying, holding or disposing of Shares and to the provisions of the laws of the jurisdiction in which they are subject to tax.

### DAC6

25 May 2018, the EU Council adopted a directive (2018/822 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation) that imposes a reporting obligation on parties involved in transactions that may be associated with aggressive tax planning ("DAC6").

More specifically, the reporting obligation will apply to cross-border arrangements that, among others, satisfy one or more "hallmarks" provided for in DAC6 (the "Reportable Arrangements").

In the case of a Reportable Arrangement, the information that must be reported includes the name of all relevant taxpayers and intermediaries as well as an outline of the Reportable Arrangement, the value of the Reportable Arrangement and identification of any member states likely to be concerned by the Reportable Arrangement.

The reporting obligation in principle rests with persons that design, market or organise the Reportable Arrangement and professional advisors (intermediaries). However, in certain cases, the taxpayer itself can be subject to the reporting obligation.

The information reported will be automatically exchanged between the tax authorities of all Member States.

DAC6 applies as from July 1st 2020. Except in a few EU countries where DAC6 reporting deadlines will start applying as originally planned (ie August 31, 2020), most EU countries (including Luxembourg) have postponed the first reporting deadlines until early 2021. At that time, it will be necessary to report the Reportable Arrangements the first step of which was implemented between 25 June 2018 and 1 July 2020, together with any Reportable Arrangement identified as from July 1, 2020.

In light of the broad scope of DAC6, transactions carried out by the Compartments may fall within the scope of DAC6 and thus be reportable (subject however to the way DAC6 will be implemented into national laws).

### CRS

The OECD has developed a common reporting standard ("**CRS**") to achieve a comprehensive and multilateral automatic exchange of information ("**AEOI**") on a global basis. On 9 December 2014, the Euro-CRS Directive was adopted in order to implement the CRS among the Member States.

The Euro-CRS Directive was implemented into Luxembourg law by the CRS Law. The CRS Law requires Luxembourg financial institutions to identify financial assets holders and establish if they are fiscally resident in countries with which Luxembourg has a tax information sharing agreement. Luxembourg financial institutions will then report financial account information of the asset holder to the Luxembourg tax authorities, which will thereafter automatically transfer this information to the competent foreign tax authorities on a yearly basis.

Accordingly, the Fund may require the Shareholders to provide information in relation to the identity and fiscal residence of financial account holders (including certain entities and their controlling persons) in order to ascertain their CRS status and report information regarding a Shareholder and his/her/its account to the Luxembourg tax authorities (*Administration des Contributions Directes*), if such account is deemed a CRS reportable account under the CRS Law. (i) The Fund is responsible for the treatment of the personal data provided for in the CRS Law; (ii) the personal data will only be used for the purposes of the CRS Law; (iii) the personal data may be communicated to the Luxembourg tax authorities (Administration des Contributions Directes).

In addition, Luxembourg signed the OECD's multilateral competent authority agreement ("**Multilateral Agreement**") to automatically exchange information under the CRS. The Multilateral Agreement aims to implement the CRS among non-EU Member States; it requires agreements on a country-by-country basis.

Under these regulations Luxembourg financial institutions are required to establish the identity of the owners of financial assets and determine if they reside for tax purposes in countries with which Luxembourg exchanges information in accordance with a bilateral agreement on sharing tax information. In such event, the Luxembourg financial institutions send the information about the financial accounts of asset holders to the Luxembourg tax authorities, which in turn automatically forward this information to the relevant foreign tax authorities on an annual basis. As such, information concerning Shareholders may be provided to the Luxembourg tax authorities and other relevant tax authorities pursuant to the regulations in effect.

Under the AEOI, the Fund is considered a financial institution. As a result, Shareholders are explicitly advised that they are or may be the subject of disclosure to the Luxembourg tax authorities and other relevant tax authorities, including those of their country of residence.

The Fund does not admit, among its Shareholders, investors who are considered under the AEOI as (i) individuals or (ii) passive non-financial entities ("**Passive NFE**"), including financial entities requalified as passive non-financial entities.

The Fund reserves the right to refuse any application for Shares if the information provided or not provided does not satisfy the requirements under the CRS Law.

***The preceding provisions represent only a summary of the different implications of the Euro – CRS Directive and the CRS Law. They are based only on their current interpretation and are not intended to be exhaustive. These provisions should not in any manner be considered as tax or investment advice and investors should therefore seek advice from their financial or tax advisers on the implications of the Euro-CRS Directive and the CRS Law to which they may be subject.***

### FATCA

The FATCA, a portion of the 2010 Hiring Incentives to Restore Employment Act, became law in the United States in 2010 aims at preventing US tax evasion by requiring foreign (non-US) financial institutions to report to the US Internal Revenue Service information on financial accounts held outside the United States by US investors. US securities held by a non-US financial institution that does not comply with the FATCA reporting regime will be subject to a US tax withholding of 30% on gross sales proceeds and income, commencing on 1 July 2014.

On 28 March 2014, the Grand-Duchy of Luxembourg entered into a Model I Intergovernmental Agreement (the "**IGA**") with the United States of America and a memorandum of understanding in respect thereof. The Fund hence has to comply with such Luxembourg IGA as implemented into Luxembourg law by the Law of 24 July 2015 relating to FATCA (the "**FATCA Law**") in order to comply with the provisions of FATCA rather than directly complying with the US Treasury Regulations implementing FATCA. Under the FATCA Law and the Luxembourg IGA, the Fund may be required to collect information aiming to identify the direct and indirect Shareholders that are Specified US Persons for FATCA purposes (the "**FATCA reportable accounts**"). Any such information on FATCA reportable accounts provided to the Fund will be shared with the Luxembourg Tax authorities which will exchange that information on an automatic basis with the Government of the United States of America pursuant to Article 28 of the convention between the Government of the United States of America and the Government of the Grand-Duchy of Luxembourg for the avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes in income and Capital, entered into in Luxembourg on 3 April 1996.

The Fund intends to comply with the provisions of the FATCA Law and the Luxembourg IGA to be deemed compliant with FATCA and will thus not be subject to the 30% withholding tax with respect to its Share of any such payments attributable to actual and deemed U.S. investments of the Fund. The Fund will continually assess the extent of the requirements that FATCA and notably the FATCA Law place upon it.

Under the IGA, Luxembourg-resident financial institutions that comply with the requirements of the Luxembourg IGA Legislation will be treated as compliant with FATCA and, as a result, will not be subject to withholding tax under FATCA ("**FATCA Withholding**").

To ensure the Fund's compliance with FATCA, the FATCA Law and the Luxembourg IGA in accordance with the foregoing, The Fund may:

a. request information or documentation, including W-8 tax forms, a Global Intermediary Identification Number, if applicable, or any other valid evidence of a unit's FATCA registration with the IRS or a corresponding exemption, in order to ascertain such Shareholder's FATCA status;
b. report information concerning a Shareholder and his account holding in the Fund to the Luxembourg tax authorities if such account is deemed a FATCA reportable account under the FATCA Law and the Luxembourg IGA;
c. report information to the Luxembourg tax authorities (Administration des Contributions Directes) concerning payments to Shareholders with FATCA status of a non-participating foreign financial institution;
d. deduct applicable US withholding taxes from certain payments made to a Shareholder by or on behalf of the Fund in accordance with FATCA, the FATCA Law and the Luxembourg IGA; and
e. divulge any such personal information to any immediate payor of certain U.S. source income as may be required for withholding and reporting to occur with respect to the payment of such income.

The Fund is responsible for the treatment of the personal data provided for in the FATCA Law; (ii) the personal data will only be used for the purposes of the FATCA Law; (iii) the personal data may be communicated to the Luxembourg tax authorities (Administration des Contributions Directes).

The Fund, which is considered to be foreign financial institution, will seek to obtain "deemed-compliant" status under the "collective investment vehicle" (CIV).

In order to elect for and keep such FATCA status, the Fund only allows (i) participating foreign financial institutions, (ii) deemed-compliant foreign financial institutions, (iii) non-reporting IGA foreign financial institutions, (iv) exempt beneficial owners (v), Active Non-Financial Foreign Entities ("**Active NFFE**") or (vi) non-specified US persons, all as defined under FATCA as Shareholders; accordingly, investors may only subscribe for and hold Shares through a financial institution that complies or is deemed to comply with FATCA. The Fund may impose measures and/or restrictions to that effect, which may include the rejection of subscription orders or the compulsory redemption of Shares, as further detailed in this Prospectus and in article 8 of the Articles of Association and/or the withholding of the 30% tax from payments to the account of any Shareholder found to qualify as a "recalcitrant account" or "non-participating foreign financial institution" under FATCA.

The attention of US taxpayers is drawn to the fact that the Fund qualifies as a passive foreign investment company ("**PFIC**") under US tax laws and does not intend to provide information that would allow such investors to elect to treat the Fund as a qualified electing fund (so-called "**QEF election**").

**Prospective investors should (i) consult their own tax advisors regarding the impact of FATCA further to an investment in the Fund and (ii) be advised that although the Fund will attempt to comply with all FATCA obligations, no assurance can be given that it will be able to satisfy such obligations and therefore to avoid FATCA withholding.**

## DATA PROTECTION

Any information concerning investors who are natural persons and other related natural persons (together the "**Data Subjects**") which allows the Data Subjects to be directly or indirectly identified (the "**Data**"), which is provided to, or collected by or on behalf of, the Fund and the Management Company (directly from Data Subjects or from publicly available sources) will be processed by the Fund and the Management Company as joint data controllers (the "**Controllers**" – which can be contacted through the compliance officer of the Management Company, 15, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg) in compliance with applicable data protection laws, in particular Regulation (EU) 2016/679 of 27 April 2016.

A data protection officer has been appointed (the "**DPO**") who can be contacted at: europe-data-protection@pictet.com.

Failure to provide certain Data may result in the investor not being able to invest or maintain an investment in the Fund.

Data will be processed by the Controllers and disclosed to, and processed by, service providers of the Controller such as the Depositary Bank, the Central Administration Agent, the Transfer, Registrar and Paying Agent, the Auditor, the Manager, the Investment Adviser ( if any), the Distributor and its appointed sub-distributors, legal and financial advisers (the "**Processors**") for the purposes of (i) offering and managing investments and holdings of the Shareholders and performing the services related to their Shareholding in the Fund (ii) enabling the Processors to perform their services for the Fund, or (iii) complying with legal, regulatory and/or tax (including FATCA/CRS) obligations (the "**Purposes**").

As part of the Purposes, Data may also be processed for the purpose of direct marketing activities (by means of electronic communication), notably for providing Data Subjects with general or personalised information about investment opportunities, products and services proposed by or on behalf of the Fund, its service providers, delegates and business partners. The legal basis for the processing of Data in the context of such marketing activities will be either the legitimate interests of the Fund (propose new investments opportunities to investors) or, in particular if required by law, the consent of the Data Subjects for the relevant marketing activities.

The Processors shall act as processors on behalf of the Controllers and may also process Data as controllers for their own purposes.

Any communication (including telephone conversations) (i) may be recorded by the Controllers and the Processors in compliance with all applicable legal or regulatory obligations and (ii) will be retained for a period of 10 years from the date of the recording.

Data may be transferred outside of the EU, to countries whose legislation does not ensure an adequate level of protection as regards the processing of personal data (including, but not limited to, Canada, Hong Kong, India, Malaysia, Singapore, United States). In such case, appropriate safeguards will be implemented including standard contractual data protection clauses established by the European Commission.

Investors providing the Data of third-party data subjects to the Controllers need to ensure that they have obtained the authority to provide that Data and are therefore required to inform the relevant third-party data subjects of the processing of the Data and their related rights. If necessary, investors are required to obtain the explicit consent of the relevant third-party data subject for such processing.

Data of Data Subjects will not be retained for longer than necessary with regard to the Purposes, in accordance with applicable laws and regulations, subject always to applicable legal minimum retention periods.

The investors have certain rights in relation to the Data relating to them, including the right to request access to such Data, or have such Data rectified or deleted, the right to ask for the processing of such Data to be restricted or to object thereto, the right to portability, the right to lodge a complaint with the relevant data protection supervisory authority, or the right to withdraw any consent after it was given.

Detailed information about how Data is processed is contained in the privacy notice available at https://www.group.pictet/privacynotice or on demand by contacting the DPO (europe-data-protection@pictet.com). The privacy notice notably sets out in more detail the data subjects' rights described above, the nature of the Data processed, the legal bases for processing, the recipients of the Data and the safeguards applicable for transfers of Data outside of the EU.

The investors' attention is drawn to the fact that the data protection information is subject to change at the sole discretion of the Controllers, and that they will be duly informed prior to the implementation of any change.

## DURATION – MERGER – DISSOLUTION OF THE FUND AND COMPARTMENTS

### The Fund

The Fund is formed for an indefinite period. However, the Board of Directors may at any time propose to dissolve the Fund at an extraordinary general Shareholders' meeting.

If the Share capital falls below two-thirds of the minimum capital required by law, the Board of Directors must refer the matter of dissolution to the general meeting, deliberating without any quorum and deciding by a simple majority of the Shares cast at the meeting.

If the Share capital is less than a quarter of the minimum capital required, the directors must refer the matter of dissolution of the Fund to the general meeting, deliberating without any quorum; dissolution may be decided by Shareholders holding a quarter of the Shares cast at the meeting.

### Merger of Compartments

The Board of Directors may decide to merge a Compartment with another Compartment or with another UCITS (Luxembourg or foreign) in accordance with the 2010 Act.

The Board of Directors may in addition decide to submit the decision to merge to the general meeting of the Shareholders of the Compartment concerned. Any decision of the Shareholders will not be subject to a quorum requirement and will be adopted by simple majority of the votes cast. If, following a merger of one or more

Compartments, the Fund should cease to exist, the merger will be decided by a general meeting of Shareholders for which no quorum is required and the merger will be decided with a simple majority of the vote cast.

### Liquidation of Compartments

The Board of Directors may also propose to dissolve a Compartment and cancel its Shares at the general meeting of Shareholders of the Compartment. This general meeting will deliberate without any quorum requirement and the decision to dissolve the Compartment will be adopted by a majority of the votes cast at the meeting.

If a Compartment's total net assets fall below EUR 15,000,000 or the equivalent in the base currency of the Compartment concerned, or if justified by a change in the economic situation or political circumstances affecting a Compartment or for economic rationalisation or if it is in the interests of the Shareholders, the Board of Directors may at any time decide to close the Compartment in question and cancel the Shares of that Compartment.

In the event of the dissolution of a Compartment or the Fund, the liquidation will be carried out pursuant to the applicable Luxembourg laws and regulations that define the procedures to enable Shareholders to benefit from liquidation dividends and in this context provides for the depositing of any amount that could not be distributed to Shareholders when the liquidation is complete with the *Caisse de Consignation* in Luxembourg. Any amounts deposited that are not claimed will be subject to time-barring in accordance with Luxembourg law. The net proceeds from the liquidation of each Compartment will be distributed to holders of Shares in the Class of Shares in question in proportion to the number of Shares they hold in that Class of Shares.

### Merger / liquidation of Classes of Shares

The Board of Directors may decide to liquidate, consolidate or split a Class of Shares of any Compartment. Such decision will be published in accordance with applicable laws and regulations. The Board of Directors may also submit the questions of the liquidation, consolidation or split of a Class of Shares to a meeting of holders of such Class of Shares. Such meeting will resolve with a simple majority of the votes cast.

## INVESTMENT RESTRICTIONS

### General Provisions

Rather than concentrate on a single specific investment objective, the Fund is divided into different Compartments, each of which has its own investment policy and its own risk profile by investing in a specific market or in a group of markets.

### Investment Restrictions

For the purposes of this section, the words "Member State" mean a Member State of the EU. Countries that are parties to the European Economic Area Agreement that are not Member States of the EU are considered in the same category as Member States of the EU, within the limits defined by that Agreement and related laws.

*A §1*

The Fund's investments shall consist solely of one or more of the following:

1. Transferable securities and money market instruments listed or traded on a regulated market within the meaning of Article 4 of the MiFID Directive;
2. Transferable securities and money market instruments traded on another regulated and regularly functioning market of a Member State, that is recognised and open to the public;
3. Transferable securities and money market instruments admitted for listing on a stock market of a state, which is not part of the EUor traded on another market of a state that is not part of the EU, which is regulated and regularly functioning, recognised and open to the public;
4. Transferable securities and newly issued money market instruments provided that:
   - the terms of issue include an undertaking that an application will be made for admission to be officially listed on a stock exchange or other regulated, regularly functioning market which is recognised and open to the public;
   - and that this admission is obtained at the latest within one year of the issue.
5. Units or shares of approved Undertakings for Collective Investment in Transferable Securities (UCITS) in compliance with Directive 2009/65/EC and/or other Undertakings for Collective Investment (UCI) within the meaning of Art. 1, paragraph (2), point a) of Directive 2009/65/EC, whether or not established in a Member State, provided that:
   - these other UCIs are approved in compliance with laws stipulating that the entities are subject to supervision that the CSSF considers as equivalent to that laid down by the EU Law and that cooperation between the authorities is adequately guaranteed;

- the level of protection guaranteed to holders of shares or units of these other UCIs is equivalent to that intended for holders of shares or units of a UCITS and, in particular, that the rules relating to the division of assets, borrowings, loans, short sales of transferable securities and money market instruments are equivalent to the requirements of Directive 2009/65/EC;
- the activities of these other UCIs are reported in semi-annual and annual statements that enable valuation of assets and liabilities, revenues and operations for the period concerned; and that
- the proportion of net assets that the UCITS or the other UCIs whose acquisition is envisaged may invest overall in units or shares of other UCITS or other UCIs in conformity with their management rules or constitutive documents, does not exceed 10%.
- when a compartment invests in units or shares of other UCITS and/or other UCIs that are linked to the Fund within the framework of common management or control or by a significant direct or indirect holding, or is managed by a management company linked to the manager, no subscription or redemption fees may be invoiced to the Fund for investment in the UCITS or other UCI units or shares;
- Where one of the Fund's Compartments invests a significant portion of its assets in other UCITS and/or other UCIs linked to the Fund, as set out above, the Fund shall mention the maximum management fee amount that can be invoiced both to the actual Compartment and to the other UCITS and or UCIs in which it intends to invest in the Annexes to this Prospectus. The Fund shall indicate the maximum percentage of the management fees incurred both at the level of the Compartment and at that of the UCITS and/or other UCIs in which it invests in its annual report.

6. Deposits in credit institutions redeemable on request or which can be withdrawn and whose maturity is twelve months or less, provided that the credit establishment has its registered headquarters in a Member State or, if the registered headquarters of the credit establishment are located in a Third Country, is subject to the prudent portfolio rules considered by the CSSF as equivalent to those provided by EU legislation;
7. Derivative financial instruments, including similar instruments allowing cash settlements, that are traded on a regulated market of the kind specified in points 1), 2) and 3) above, or over-the-counter ("OTC") derivative financial instruments, provided that:
   - the underlying assets consist of instruments allowed under section A, §1, financial indexes, interest rates, exchange or currency rates, in which the relevant Compartment may invest in compliance with its investment objectives;
   - the counterparties to OTC derivative financial transactions are establishments subject to prudential supervision and belonging to categories approved by the CSSF; and
   - the OTC derivative instruments are reliably and verifiably evaluated on a daily basis and can be, should the Fund wish, sold, liquidated or closed by a symmetrical transaction, at any time and at their fair value;
8. Money market instruments other than those traded on a regulated market and designated by Art. 1 of the 2010 Act, as long as the issue or the issuer of these instruments are themselves subject to regulations whose aim is to protect the investors and investments and that the instruments are:
   - issued and guaranteed by a central, regional or local administration, by a central bank of a Member State, by the European Central Bank, by the EU or by the European Investment Bank, by a third state or, in the case of a federal state, by one of the members of the federation, or by an international public agency of which one or more Member States are members; or
   - issued by a company whose securities are traded on regulated markets

specified in points 1), 2) or 3) above; or

- issued or guaranteed by an establishment subject to prudential supervision according to criteria defined by EU law, or by an establishment that is subject to and in conformity with prudential rules considered by the CSSF as at least as strict as those intended by EU Law; or
- issued by other entities belonging to categories approved by the CSSF as long as the investments in these instruments are subject to rules for protecting investors that are at least equivalent to those prescribed by the first, second or third indents, and that the issuer is a company whose capital and reserves are at least ten million euros (EUR 10,000,000) and which offers and publishes its annual accounts in conformity with the fourth Directive 78/660/EEC, or is an entity which, within a group of companies including one or more listed companies, is dedicated to financing the group or is an entity which is dedicated to financing securitisation vehicles with a line of bank financing.

*§2*
However:

1. the Fund may not invest more than 10% of the net assets of each Compartment in transferable securities, money market instruments other than those mentioned in §1 above;
2. the Fund cannot directly acquire precious metals or certificates representing precious metals;
3. the Fund may acquire movables and immovable assets necessary for the exercise of its activity.

*§3*
A Compartment may hold ancillary liquid assets in the form of cash at sight representing up to 20% of the Compartment's net assets. This limit shall only be temporarily exceeded for a period of time strictly necessary when, because of exceptionally unfavourable market conditions, circumstances so require and where it is justified having regard to the interests of the Shareholders

*B.*

1. The Fund may not invest more than 10% of the net assets of each Compartment in transferable securities or money market instruments of the same issuer and cannot invest more than 20% of its net assets in deposits placed in the same entity. The counterparty risk of a Compartment in a transaction involving OTC derivative financial instruments may not exceed 10% of the net assets when the counterparty is one of the credit institutions specified in section A, §1, point 6), or 5% of its net assets in other cases.
2. The total value of the transferable securities and money market instruments held by a Compartment from issuers in which it invests more than 5% of its net assets may not exceed 40% of the value of its net assets. This limit does not apply to deposits with financial establishments that are subject to prudential supervision and to transactions of OTC derivative financial instruments with these establishments. Notwithstanding the individual limits set in paragraph 1) above, a Compartment may not combine, when this would lead it to invest more than 20% of its net assets in the same entity, several of the following:
   - instruments in transferable securities or money market instruments issued by the said entity,
   - deposits in the said entity, or
   - risks related to transactions involving OTC derivative financial instruments with the said entity.
3. The 10% limit defined in the first sentence of paragraph 1) above may be raised to a maximum of 35% when the transferable securities or the money market instruments are issued or guaranteed by a Member State, by its local authorities, by a third state or by international public bodies of which one or more Member States are members. The transferable securities and money market instruments mentioned in this paragraph are not accounted for when applying the 40% limit mentioned in paragraph 2) above.
4. The 10% limit defined in the first sentence of paragraph 1) above may be raised to a maximum of 25% for debt securities which fall under the definition of covered bonds in point (1) of Article 3 of Directive 2019/2162 and for certain debt securities, when they are issued before 8 July 2022 by a credit establishment having registered headquarters in a Member State that is legally subject to special public auditing designed to protect holders of the bonds. In particular, the amounts originating from the issue of

the bonds issued before 8 July 2022, must be invested, in conformity with the law, in assets that adequately cover, for the entire duration of the validity of the bonds, the related liabilities and that will be distributed preferentially as redemption of the capital and payment of interest accrued in the event of default by the issuer. When a Compartment invests more than 5% of its net assets in bonds as understood in this paragraph and issued by the same issuer, the total value of the investments may not exceed 80% of the value of the net assets of a Compartment. The transferable securities and money market instruments mentioned in this paragraph are not accounted for when applying the 40% limit mentioned in paragraph (2), above.

5. The limits defined in the previous points 1), 2), 3) and 4) may not be combined and therefore, the investments in transferable securities or money market instruments of a single issuer, in deposits or derivative financial instruments involving this entity, in conformity with these paragraphs, may not exceed a total of 35% of the net assets of the Compartment in question;

6. The companies that are grouped together in the consolidated accounts, within the meaning of Directive 2013/34/UE or in conformity with recognised international accounting rules, are considered as a single entity for the calculation of the limits described in points (1) to (5) of this section B.

Each Compartment of the Fund may invest cumulatively up to 20% of its net assets in the transferable securities or money market instruments of a single group.

7. **Notwithstanding the above and respecting the principle of risk diversification, the Fund may invest up to 100% of the net assets of each Compartment in different issues of transferable securities and money market instruments issued or guaranteed by a Member State, by the local authorities of a Member State, by a country that is not part of the EU (at the date of the Prospectus, the Member States of the OECD, Singapore, and the Group of Twenty) or by an international public body of which one or more Member States are members, provided that these securities belong to at least six different issues and that the securities belonging to a single issue do not exceed 30% of the net assets of the Compartment in question.**

8. The Fund may not invest more than 20% of the net assets of each Compartment in a single UCITS or other UCI as defined in section A, §1 5). For the application of this limit, each Compartment of a UCI with multiple Compartments is considered as a separate issuer provided that the liabilities of the different Compartments with regard to third parties are segregated.

   The investment in units or shares of UCIs other than UCITS may not exceed a total of 30% of the net assets of each Compartment.

   When a Compartment's investment policy allows it to invest via total return swaps in shares or units of UCITS and/or other UCIs, the 20% limit defined above is also applied, to the extent that the potential losses resulting from this kind of swap contract creating an exposure to a single UCITS or UCI together with direct investments in this single UCITS or UCI, will not in total exceed 20% of the net assets of the Compartment in question. In the case that these UCITS are Compartments of the Fund, the Swap contract will include provisions for cash settlement.

9.

a. The limits specified in points B 1) and B 2) above are raised to a maximum of 20% for investments in shares and/or debt securities issued by the same body, when, in accordance with the investment policy of a Compartment, it aims to replicate the composition of a specific index of equities or debt securities that is recognised by the CSSF, on the following bases:
   - the composition of the index is sufficiently diversified;
   - the index is a representative yardstick of the market to which its refers;
   - it is published in an appropriate manner.

b. The limit stipulated in paragraph a) above is raised to 35% when justified by exceptional conditions on the markets, in particular on regulated markets where certain transferable securities or certain money market instruments are largely dominant. Investment up to that limit is only allowed for a single issuer.

10. A Compartment (defined as an "**Investing Compartment**", for the needs of this paragraph) may subscribe for, acquire and/or hold securities to be issued or that have been issued by one or more other Compartments (each a "**Target Compartment**"), without the Fund being subject to the requirements imposed by the 1915 Law, with respect to a company's subscription,

acquisition and/or holding of its own shares provided however that:

- The Target Compartment does not invest in the Investing Compartment that is invested in this Target Compartment; and
- the proportion of assets that the Target Compartments whose acquisition is envisaged and which may be wholly invested, in accordance with their investment policy, in units or shares of other UCITS and/or other UCIs, including other Target Compartments of the same UCI, does not exceed 10%; and
- any voting right attached to the Shares concerned is suspended as long as they are held by the Investing Compartment and notwithstanding appropriate accounting treatment in the periodical financial statements; and
- in all circumstances, for as long as these securities are held by the Investing Compartment their value is not taken into account in the calculation of the Fund's net assets for verification of the minimum threshold of net assets imposed by the 2010 Act.

*C §1*

The Fund may not acquire across all the Compartments together:

1. shares granting voting rights in sufficient number to allow it to exert a significant influence on the management of the issuer;
2. more than:
   - 10% of shares without voting rights of a single issuer;
   - 10% of the debt instruments of a single issuer;
   - 25% of the units or shares of a single UCITS or other UCI in the meaning of Article 2 §2 of the 2010 Act;
   - 10% of money market instruments of a single issuer.

The limits defined in the second, third and fourth indents above need not be respected at the time of acquisition if, at that time, the gross value of the bonds or money market instruments or the net value of securities issued cannot be calculated.

The restrictions mentioned in points 1) and 2) above are not applicable:

a. to the transferable securities and money market instruments issued or guaranteed by a Member State, by its local authorities, or by a state that is not a member of the EU;

b. to the transferable securities and money market instruments issued by international public bodies of which one or more Member States are members;

c. to shares held in the capital of a corporation of a third state to the EU that invests its assets mainly in the securities of issuers of that state, where under the legislation of that state such a holding represents the only way in which the UCITS can invest in the securities of issuers of that state. This exception is, however, only applicable when the third state to the EU respects in its investment policy the limits established by Articles 43 and 46 and Article 48, paragraphs (1) and (2), of the 2010 Act. In the case that the limits defined in Articles 43 and 46 of this law are exceeded, Article 49 applies with necessary modifications;

d. to shares held by one or more investment companies in the capital of subsidiary companies exercising management, advising, or sales activities in the country where the subsidiary is established in regard to the redemption of shares at the shareholders' request exclusively on its own or their behalf.

*§2*

1. The Fund may borrow, provided that such borrowing, for each Compartment:

a. is temporary and in a proportion not exceeding 10% of the net assets of the Compartment concerned;

b. allows the acquisition of real estate property that are indispensable for the direct exercise of their activities and represent at most 10% of its net assets.

Each Compartment is authorised to borrow, in accordance with points a) and b) above; such borrowing cannot exceed a total of 15% of its net assets.

2. The Fund may not grant credits or act as guarantor on behalf of third parties.

The paragraph above does not prevent the acquisition by the Fund of transferable securities, money market instruments or other financial instruments allowed under section A, §1, points 5), 7) and 8) not fully paid up.

3. The Fund may not, for any Compartment, undertake transactions involving the short sale of transferable securities, money market instruments or other financial instruments specified in section A, §1, points 5), 7) and 8).

*§3*

While adhering to the principle of risk spreading, a newly approved Compartment may be temporarily exempted from Articles 43, 44, 45 and 46 of the 2010 Act, for a period of six months following the date of its authorisation.

## Use of derivative financial products and instruments

***Options, warrants, futures contracts, exchange contracts on transferable securities, currencies or financial instruments***

For hedging purposes or efficient portfolio management, each Compartment may use any type of derivative financial instrument that is traded on a regulated and/or over the counter ("**OTC**") market if it is obtained from a leading financial institution that specializes in these types of transactions. In particular, each Compartment may, among other investments but not exclusively, invest in warrants, futures, options, swaps (such as total return swaps, contracts for difference and credit default swaps) and forward contracts having as underlying assets in accordance with the 2010 Act and the Compartment's investment policy, inter alia, currencies (including non-deliverable forwards), interest rates, transferable securities, a basket of transferable securities, indices (such as indices on commodities, precious metals and volatility, etc.), and undertakings for collective investment.

*Credit derivatives*

The Fund may invest in buying and selling credit derivatives financial instruments. Credit derivative products are used to insulate and transfer the credit risk associated with a base asset. There are two categories of credit derivatives: "financed" and "non-financed" depending on whether or not the protection seller has made an initial payment in relation to the base asset.

Despite the great variety of credit derivatives, the three most common types of transaction are:

The first type: transactions on credit default products (for example Credit Default Swaps (CDS) or CDS options), are transactions in which the debts of the parties are linked to the presence or absence of one or several credit events in relation to the base asset. The credit events are defined in the contract and represent a decline in the value of the base asset. Credit default products may either be paid in cash or by physical delivery of the base asset following the default.

The second type, i.e. total return swaps, is an exchange on the economic performance of an underlying asset without transferring ownership of the asset. When a buyer purchases a total return swap, it makes a regular payment at a variable rate, in return for which all the results relating to a notional amount of that asset (coupons, interest payments, change in asset value) accrue to it over a period of time agreed with the counterparty. The use of these instruments can help offset the relevant Compartment's exposure.

When the investment policy of a Compartment provides that the latter may invest in total return swaps and/or other derivative financial instruments that display similar characteristics, these investments unless otherwise specified in the Annexes will be made for hedging and/or efficient portfolio management in compliance with the investment policy of such Compartment. Unless the investment policy of a Compartment provides otherwise, such total return swaps and other derivative financial instruments that display the same characteristics may have underliers such as currencies, interest rates, transferable securities, a basket of transferable securities, indexes, or undertakings for collective investment.

Where a Compartment uses total return swaps the underlying assets and investment strategies to which exposure will be gained are those allowed as per in the relevant Compartment's investment policy and objectives set out in the Annex relating to that Compartment.

The counterparties of the Fund will be leading financial institutions generally based in OECD member state specialised in this type of transaction subject to prudential supervision and having an investment grade credit rating at the time of appointment.

These counterparties do not have discretionary power over the composition or management of the investment portfolio of the Compartment or over the underlying assets of the derivative financial instruments.

The total return swaps and other derivative financial instruments that display the same characteristics only give to the Fund a right of action against the counterparty in the swap or in the derivative financial instrument, and any eventual insolvency of the counterparty may make it impossible for the payments envisioned to be received.

No more than 20% of a Compartment's net assets will be subject to total return swaps, except as otherwise provided in the Annex for an individual Compartment.

Where a Compartment enters into total return swaps, the expected proportion of such Compartment's net assets that could be subject to total return swaps will be set out in the Annex for this individual Compartment.

A Compartment that does not enter into total return swaps as of the date of the Prospectus (i.e. its expected proportion of assets under management subject to total return swaps being 0%) may however enter into total return swaps provided that the maximum proportion of the net assets of that Compartment that could be subject to such transactions should not exceed 10% and that the relevant Annex relating to this individual Compartment is updated accordingly at the next available opportunity.

The third type, "credit spread" derivatives, are credit protection transactions in which the payments may be made either by the buyer or by the seller of the protection based on the relative credit value of two or more base assets.

However, at no time may these operations be conducted for the purpose of modifying the investment policy.

The rebalancing frequency for an index that is the underlying asset for a financial derivative is determined by the provider of the index in question. The rebalancing of said index shall not give rise to any costs for the Compartment in question.

***Application of sufficient hedging on transactions involving derivative financial products and instruments whether or not traded on a regulated market***

*Sufficient hedging in the absence of a cash settlement*
When the derivative financial contract provides, either automatically or at the choice of the Fund's counterparty, for the physical delivery of the underlying financial instrument on the date of expiry or on exercise, and as long as physical delivery is common practice for the instrument concerned, the Fund must hold the underlying financial instrument in its portfolio as a hedge.

*Exceptional substitution by another underlying hedge in the absence of a cash settlement*
When the underlying financial instrument of a derivative financial instrument is very liquid, the Fund is allowed, on an exceptional basis, to hold other liquid assets as hedges, provided that these assets can be used at any time to acquire the underlying financial instrument due to be delivered and that the additional market risk associated with this type of transaction is adequately valued.

*Substitution by another underlying hedge in the event of a cash settlement*
When the derivative financial instrument is settled in cash, automatically or at the Fund's discretion, the Fund is allowed to not hold the specific underlying instrument as a hedge. In this case, the following categories of instruments are acceptable hedges:

a. cash;
b. liquid debt securities, provided that appropriate safeguard methods (for example, discounts or "haircuts") exist;
c. any other very liquid asset, considered by reason of its correlation with the underlying asset of the derivative instrument, provided appropriate safeguard methods exist (such as a discount, where applicable).

*Calculating the amount of the hedge*
The amount of the hedge must be calculated using the liabilities approach.

### Efficient portfolio management techniques
For the purpose of reduction of risk, reduction of cost or in order to generate additional capital or income, the Fund is authorized to use the following techniques and instruments relating to transferable securities and money market instruments, in compliance with the requirements of CSSF Circular 08/356 and CSSF Circular 14/592, as amended:

- Securities Sending Transactions,
- sales with right of Repurchase Agreements, and
- Repurchase and Reverse Repurchase Agreements.

The Fund must ensure that the volume of these transactions is kept at an appropriate level in a manner that enables it, at all times, to meet its redemption obligations and that these transactions do not jeopardize the management of a Compartment's assets in accordance with its investment policy. Reverse Repurchase Agreements will generally be used as a money market instrument and could be used to invest the cash available together with other types of money market instruments.

Securities Lending Agreements will usually be used mainly to generate additional income and Reverse Repurchase Agreements will generally be used to generate additional income through the transactions themselves.

In case cash collateral is received, the cash might be reinvested and generate additional income and/or capital gains.

To the full extent allowed and within applicable regulatory limits, and in particular pursuant to (i) Article 11 of the Grand Ducal Regulation of 8 February 2008 on certain definitions in the amended Law of 20 December 2002 on undertakings for collective investment (the "2008 Regulation"), (ii) CSSF Circular 08/356 and (iii)

CSSF Circular14/592, any Compartment can enter into Securities Lending Agreements and Repurchase/Reverse Repurchase Agreements.

The selection of counterparties to such transactions will always consider the best interest of the Fund and generally be financial institutions based in an OECD member state and have an investment grade credit rating. Particular attention is paid to identify any conflict of interest which may arise in particular when concluding an agreement with a related Group entity for the processing of such transactions as it would result in additional remuneration for the Group to which the Management Company belongs. Details of the conflict-of-interest policy selection criteria and a list of approved counterparties is available from the registered office of the Management Company.

### Securities Lending Agreements

The Fund will enter into Securities Sending Agreements only when subject to the following conditions:

a. the counterparty is subject to prudential supervision rules that the CSSF deems equivalent to those required under EU Law;

b. if the counterparty is an entity linked to the Management Company, care should be taken to avoid any resulting conflicts of interest in order to ensure that the agreements are entered into on normal arm's length commercial terms; and

c. the counterparty must be a financial intermediary (such as a banker, a broker, etc.) acting on its own behalf.

d. it is able to recall any securities that has been lent out or terminate any Securities Lending Agreement into which it has entered.

Where a Compartment enters into Securities Lending Agreements, the underlying assets and investment strategies to which exposure will be gained are those allowed as per the relevant Compartment's investment policy and objectives set out in the Annex relating to that Compartment.

Implementation of the above-mentioned securities lending programme should not have any impact on the risk profile of the concerned Compartments.

No more than 30% of a Compartment's net assets will be subject to Securities Lending Agreements, except as otherwise provided in the Annex for an individual Compartment. Where a Compartment enters into Securities Lending Agreements, these transactions will be used on a temporary basis, since this use will mainly depend on the demand of the market for the securities and the risks inherent to those transactions.

The proportion of securities lent varies over time depending on other factors such as borrowing demand. Market conditions and borrowing demand fluctuate and cannot be precisely forecasted and therefore loan balances across Compartments may vary materially. If there is strong borrowing demand for companies from a particular geographic region or industry sector, there is likely to be higher lending activity across relevant Compartments with holdings in these high demand companies. If there is no demand to borrow securities held by the relevant Compartments, even if their intention is to enter into these transactions, the value of securities on loan for the Compartment could amount to 0%

Where a Compartment enters into Securities Lending Agreements, the expected proportion of such Compartment's net assets that will be subject to Securities Lending Agreements will be set out in the Annex for this individual Compartment.

The total amount paid to Agent for its services represent 20% of the gross revenues generated from Securities Lending Agreements. Any fees and expenses are paid by the Administrative Agent out of his remuneration. All remaining revenues representing 80% of the gross revenues are returned to the relevant Compartment.

### Sales with right of Repurchase Agreements

Acting as buyer, the Fund may agree to purchase securities with a repurchase option. These transactions consist of the purchase of securities with a clause reserving for the seller (counterparty) the right to repurchase the securities sold from the Fund at a price and time agreed between the two parties at the time when the contract is entered into.

Acting as the seller, the Fund may agree to sell securities with a repurchase option. These transactions consist of the sale of securities with a clause reserving for the Fund the right to repurchase the securities from the purchaser (counterparty) at a price and at a time agreed between the two parties at the time when the contract is entered into.

### Reverse Repurchase and Repurchase Agreements

At the date of the Prospectus, the Fund will not enter into Repurchase and Reverse Repurchase Agreements. Should the Fund decide to enter into this type of agreements in the future, the following paragraphs will apply, and the Prospectus will be updated.

The Fund will enter into Reverse Repurchase Agreements only if the following conditions are met:

a. the counterparty is subject to prudential supervision rules that the CSSF deems equivalent to those required under EU Law;

b. the value of the transactions is kept at a level which allow the Fund to meet its redemption obligations at all time

c. the Fund is able at any time to recall the full amount of cash or to terminate the Reverse Repurchase Agreement on either an accrued basis or a mark-to market basis.

Where a Compartment enters into Reverse Repurchase Agreements, the underlying assets and investment strategies to which exposure will be gained are those allowed as per the relevant Compartment's investment policy and objectives set out in the Annex relating to that Compartment.

No more than 10% of a Compartment's net assets will be subject to Reverse Repurchase Agreements, except as otherwise provided in the Annex for an individual Compartment. The use of Reverse Repurchase Agreements would vary over time and would depend on the amount of cash and cash equivalent of each compartment and on the cash management in place, which may be dependent on market conditions such as a negative yield environment or an overall increase in counterparty risks.

The Fund will enter into Repurchase Agreements only if the following conditions are met:

a. the counterparty is subject to prudential supervision rules that the CSSF deems equivalent to those required under European law;

b. the value of the transactions is kept at a level which allow the Fund to meet its redemption obligations at all time;

c. the Fund is able at any time to recall any securities subject to the Repurchase Agreement or to terminate the Repurchase Agreement into which it has entered.

Where a Compartment enters into Repurchase Agreements, the underlying assets and investment strategies to which exposure will be gained are those allowed as per the relevant Compartment's investment policy and objectives set out in the Annex relating to that Compartment.

No more than 10% of a Compartment's net assets will be subject to Repurchase Agreements, except as otherwise provided in the Annex for an individual Compartment. Where a Compartment enters into Repurchase Agreements these transactions will be used on a continuous basis, but this use will mainly depend on the demand of the market for the securities and the risks inherent to those transactions.

Where a Compartment enters into Reverse Repurchase Agreements or Repurchase Agreements, the expected proportion of such Compartment's net asset that will be subject to such agreements will be set out in the Annex for this individual Compartment.

All revenue from Repurchase/Reverse Repurchase Agreements and total return swaps will be payable to the relevant Compartment, minus any minor direct and indirect operating costs/fees owed to the Depositary Bank and/or the Agent, shall be payable to the relevant Compartment.

Fixed operating fees charged per transaction may be payable to the counterparty to the Repurchase/Reverse Repurchase or total return swap, the Depositary Bank and/or the Agent.

Details of the direct and indirect operational fees/costs arising from Repurchase/Reverse Repurchase Agreements and total return swaps will be included in the semi-annual and annual reports of the Fund.

### Collateral policy for derivative financial products and instruments and efficient portfolio management techniques

**General**

In the context of OTC financial derivatives transactions and efficient portfolio management techniques, each Compartment concerned may receive collateral with a view to reduce its counterparty risk. This section sets out the collateral policy applied by the Fund in such case. All assets received by a Compartment in the context of efficient portfolio management techniques (Securities Lending, Repurchase or Reverse Repurchase Agreements) shall be considered as collateral for the purposes of this section.

**Eligible collateral**

Collateral received by the relevant Compartment maybe used to reduce its counterparty risk exposure if it complies with the criteria set out in applicable laws, regulations and circulars issued by the CSSF from time to time notably in terms of liquidity, valuation, issuer credit quality, correlation, risks linked to the management of collateral and enforceability. In particular, collateral should comply with the following conditions:

a. Any collateral received other than cash should be of high quality, highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation;

b. It should be valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place;

c. It should be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty;

d. It should be sufficiently diversified in terms of country, markets and issuers with a maximum exposure of 20% of the Compartment's net asset value to any single issuer on an aggregate basis, taking into account all collateral received. By way of derogation, a Compartment may be fully collateralised in different transferable securities and money market instruments issued or guaranteed by a Member State, one or more of its local authorities, a Third Country, or a public international body to which one or more Member States belong. In such event, the relevant Compartment should receive securities from at least six different issues, but securities from any single issue should not account for more than 30% of the Compartment's net asset value;

e. It should be capable of being fully enforced by the relevant Compartment at any time without reference to or approval from the counterparty;

f. Where there is a title transfer, the collateral received will be held by the Depositary. For other types of collateral arrangements, the collateral can be held by a third party custodian which is subject to prudential supervision, and which is unrelated to the provider of the collateral;

g. Collateral received shall have a quality of credit of investment grade.

### Securities Lending Agreements

For each Securities Lending Agreement, the Fund must receive collateral, the value of which for the full term of the lending agreement must be at least equivalent to 90% of the total valuation (including interests, dividends and any other rights) of the securities loaned, to the borrower. However, the Agent shall request a target collateral of 105% of the market value of the securities loaned, and no discount shall be applied to that value.

The collateral held on the loaned securities will be either (i) cash, and/or (ii) bonds issued or guaranteed by the government or by a regional or local government in a member state of the OECD, or issued or guaranteed by local, regional or international branches of supranational institutions or organisations that have a rating of at least AA and/or (iii) bonds issued or guaranteed by leading issuers offering adequate liquidity and/or (iv) non-financial corporate bonds rated at least AA, and / or (iv) equities belonging to large cap indices.

The market value of the loaned securities and of the collateral will be reasonably and objectively calculated by the Agent each Banking Day ("mark to market") taking into consideration the market conditions and any supplementary fees, as applicable.

If the collateral already held seems inadequate in view of the amount to cover, the Agent will ask the borrower to promptly deposit additional collateral in the form of securities that meet the criteria listed above. The collateral received by the Fund as part of the Securities Lending Agreements shall not be reinvested.

### OTC financial derivative instruments and Repurchase / Reverse Repurchase Agreements

The collateral furnished for OTC financial derivative instruments will be either (i) cash, and/or (ii) high quality bonds issued or guaranteed by the government or by a regional or local government in a member state of the OECD, or issued or guaranteed by local, regional or international branches of supranational institutions or organisations having a credit rating of at least Investment grade and/or (iii) high quality corporate and covered bonds having a credit rating of at least Investment grade and/or (iv) equities belonging to large cap indices;

The collateral furnished for Repurchase/Reverse Repurchase Agreements will be free of credit and liquidity risk. The market value of such collateral should be certain, meaning that it would be easy to sell for a predictable value in the event of default by the collateral giver. The collateral will be either (i) cash and/or (ii) high quality bonds issued or guaranteed by the
government or by a regional or local government in a member state of the OECD, or issued or guaranteed by local, regional or international branches of supranational institutions or organisations having a credit rating of at least Investment grade.

For OTC financial derivatives instruments, Repurchase and Reverse Repurchase Agreements, (i) the Compartment will monitor the market value of each transaction(s) daily to ensure they are appropriately collateralised and shall require the transfer of margin should the value of the securities and cash increase or decrease relative to one another above an applicable minimum margin transfer amount with such collateral delivered as cash and (ii) the transactions will only be entered into with counterparties that have adequate resources and financial strength as determined through solvency analysis of the counterparty performed by the Pictet Group.

Cash collateral received for OTC derivative instruments, Repurchase and Reverse Repurchase Agreements may be reinvested within the limits of the investment policy of the relevant Compartment and always within the limits of point 43 j) of the ESMA Guidelines. Risks borne by the investors for such re-investment are fully described in the section "Risk Considerations" in the general part of the Prospectus.

*Haircut*

The following haircuts for collateral are applied by the Management Company (the Management Company reserves the right to vary this policy at any time). The following haircuts apply to collateral received in the context of OTC financial derivative transactions and Repurchase / Reverse Repurchase Agreements. In case of a significant change of the market value of the collateral the relevant haircut levels will be adapted accordingly. In the context of Securities Lending Agreements, the securities received as collateral have to allow for a target coverage amounting to 105% of the total mark-to market value of the lent securities.

| Eligible Collateral | Minimum haircut |
| --- | --- |
| Cash | 0% |
| High quality bonds issued or guaranteed by the government or by a regional or local Government in a member state of the OECD, or issued or guaranteed by local, regional or international branches of supranational institutions or organisations having a credit rating of at least Investment grade | 0.5% |
| High quality corporate bonds and covered bonds having a credit rating of at least Investment grade | 1% |
| Equity belonging to large cap indices. | 15% |

*Maturity*
The maturity of collateral is taken into account through the haircuts applied. A higher haircut is applied to securities bearing long residual maturity.

### Structured Finance Securities

Each Compartment may invest in structured products, such as in particular credit-linked notes, asset-backed securities, asset-backed commercial papers, portfolio credit-linked notes, certificates or any other transferable security whose returns are linked to, inter alia, an index that adheres to the procedures stipulated in Article 9 of the 2008 Regulation (including indexes on commodities, precious metals, volatility, etc.), currencies, interest rates, transferable securities, a basket of transferable securities, or an undertaking for collective investment, in compliance with the 2008 Regulation.

A Compartment may also invest in structured products without embedded derivatives that generate payment in cash, linked to the performance of commodities (including precious metals).

These investments cannot be used to circumvent the investment policy of the Compartment concerned.

Structured finance securities include, but are not limited to, asset-backed securities, asset-backed commercial papers and portfolio credit-linked notes.

Asset-backed securities are securities that are backed by financial cash flows from a group of debt securities (current or future) or by other underlying assets that may or may not be fixed. Such assets may include, but are not limited to, mortgages on residential or commercial property, leases, credit card debts as well as personal or business loans. Asset-backed securities may be structured in various ways, either as a "true-sale" in which the underlying assets are transferred within an ad hoc structure that then issues the asset-backed securities or synthetically, in which the risk linked to underlying assets is transferred via derivative instruments to an ad hoc structure that issues the asset-backed securities.

Portfolio credit-linked notes are securities in which payment of the nominal amount and the interest is directly or indirectly linked to one or several managed or unmanaged portfolios of reference entities and/or assets ("**reference credit**"). Until a threshold credit event occurs in relation to a reference credit (such as bankruptcy or payment default), a loss will be calculated (corresponding, for example, to the difference between the nominal value of an asset and its recovery value).

Asset-backed securities and portfolio credit-linked notes are usually issued in different tranches. Any losses occurring in regard to underlying assets or, depending on the case, calculated in relation to reference credits, are first assigned to the most junior tranches until the nominal amount of the securities is brought to zero, then it is assigned to the nominal amount of the next most junior tranche remaining and so on.

Consequently, in the scenario that (a) for asset-backed securities, the underlying assets do not produce the expected financial flows and/or (b) for portfolio credit-linked notes, one of the credit events defined occurs with regard to one or several underlying assets or reference credits, there may be an effect on the value of the related securities (that may be nil) and any amount paid on such securities (which may be nil). This may in turn affect the net asset value per Share of the Compartment. Moreover, the value of the structured finance securities and thus the net asset value per Share of the Compartment may, from time to time, be negatively affected by macro-economic factors, including for example unfavourable changes in the economic sector of the underlying assets or the reference credits (including the industrial, service, and real estate sectors), economic recession in the respective countries or global recession, as well as events linked to the inherent nature of the assets (thus, a loan to finance a project is exposed to risks related to the type of project).

The extent of such negative effects is thus linked to the geographic and sector concentrations of the underlying assets, and the type of underlying assets or reference credits. The degree to which a particular asset-backed security or a portfolio credit-linked note is affected by such events will depend on its issue tranche; the most junior tranches, even ones rated “investment grade”, may consequently be exposed to substantial risks.

Investments in structured finance securities may be more exposed to a greater liquidity risk than investing in government or corporate bonds. When a liquid market for these structured finance securities does not exist, such securities may only be traded for an amount lower than their nominal amount and not at the market value which may, subsequently affect the net asset value per Share of the Compartment.

### Risk Management

The Fund utilises a risk management method that allows it at all times to monitor and measure the risk associated with positions and the contribution of the positions to the overall portfolio risk profile.

The Fund also utilises a method that allows a precise and independent evaluation of the value of its OTC financial derivatives.

The Fund makes sure that the overall risk associated with the derivative financial instruments does not exceed the total net value of its portfolio. Risks are calculated taking account of the current value of the underlying assets, the counterparty risk, foreseeable changes in the markets and the time available for liquidating the positions.

The Fund utilises the VaR method, (coupled with stress testing) or the commitment method in order to evaluate the market risk component of the overall risk associated with derivative financial instruments.

The VaR is defined as the maximum potential loss over a time horizon of 20 business days and is measured within a 99% confidence level.

The VaR may be calculated either using the absolute VaR approach or using the relative VaR approach:

The absolute VaR approach limits the maximum VaR that a Compartment can have relative to its Net Asset Value. It is measured against a regulatory limit of 20%.

The relative VaR approach is used for Compartments where a reference portfolio is defined reflecting their investment strategy. The relative VaR of a Compartment is expressed as a multiple of the VaR of the reference portfolio and is limited by regulation to no more than twice the VaR of this reference portfolio.

The counterparty risk associated with OTC derivative financial instruments is evaluated in accordance with the market value notwithstanding the necessity to use ad hoc price fixing models when the market price is not available.

The expected leverage is calculated complying the ESMA 10/788 guidelines as the sum of notionals of all derivatives contracts entered into by the Compartment, expressed as a percentage of the net asset value. It does not take into account any netting and hedging arrangements. Consequently, the expected leverage is not representative of the real level of investment risk within the Compartment. The expected leverage is an indicative level and not a regulatory limit. Depending on market conditions, the leverage may be greater. However, the Compartment will remain in line with its risk profile and notably comply with its VaR limit.

## RISK CONSIDERATIONS

Investors must read this "Risk Considerations" section before investing in any of the Compartments.

This "Risk Considerations" section contains explanations of the various types of investment risks that may be applicable to the Compartments. Please refer to the section "Risk Profile" of Annexes for details as to the most relevant risks applicable to each Compartment. Investors should be aware that other risks may also be relevant to the Compartments from time to time.

### *Counterparty risk*

The risk of loss due to a counterparty failing to meet its contractual obligations in a transaction. This may entail the Compartments to delayed delivery. In the case of default of the counterparty, the amount, nature and timing of recovery may be uncertain.

- **Collateral risk.** The risk of loss caused by delayed or partial recovery as well as loss of rights on assets pledged as collateral. Collateral can take the form of initial margin deposits or assets with a counterparty. Such deposits or assets may not be segregated from the counterparty's own assets and, being freely exchangeable and replaceable, the Compartment may have a right to the return of equivalent assets rather than the original margin as-sets deposited with the counterparty. These deposits or assets may exceed the value of the relevant Compartments' obligations to the counterparty in the event that the counterparty requires excess margin or collateral. In addition, as the terms of a derivative may provide for one counterparty to provide collateral to the other counterparty to cover the variation margin exposure arising under the derivative only if a minimum transfer amount is triggered, the Compartments may have an uncollateralised risk exposure to a counterparty under a derivative up to such minimum transfer amount.

  Where a Compartment receives collateral, investors must notably be aware that (A) in the event of the failure of the counterparty with which cash of a Compartment has been placed there is the risk that collateral received may yield less than the cash placed out, whether because of inaccurate pricing of the collateral, adverse market movements, a deterioration in the credit rating of issuers of the collateral, or the illiquidity of the market in which the collateral is traded and that (B) (i) locking cash in transactions of excessive size or duration, (ii) delays in recovering cash placed out, or (iii) difficulty in realising collateral may restrict the ability of the Compartment to meet redemption requests, security purchases or, more generally, reinvestment.

  In case of reinvestment of cash collateral such reinvestment may (i) create leverage with corresponding risks and risk of losses and volatility, (ii) introduce market exposures inconsistent with the objectives of the Compartment, or (iii) yield a sum less than the amount of collateral to be returned. Generally, in case of reinvestment of cash collateral all risks associated with a normal investment apply.

  In either case, where there are delays or difficulties in recovering assets or cash, collateral posted with counterparties, or realising collateral received from counterparties, the Compartments may encounter difficulties in meeting redemption or purchase requests or in meeting delivery or purchase obligations under other contracts.

  Where a Compartment receives collateral the custody risk, the operational risk and the legal risk referred to below would also apply.

- **Settlement risk.** The risk of loss resulting from a counterparty's failure to deliver the terms of a contract at the time of settlement. The acquisition and transfer of holdings in certain investments may involve considerable delays and transactions may need to be carried out at unfavourable prices as clearing, settlement and registration systems may not be well organised in some markets.

*Credit risk*

The risk of loss resulting from a borrower's failure to meet financial contractual obligations, for instance timely payment of interest or principal. Depending on contractual agreements, various credit events may quality as default, which include but are not limited to: bankruptcy, insolvency, court-ordered reorganisation/liquidation, rescheduling of debts or non-payment of debts payable. The value of assets or derivative contracts may be highly sensitive to the perceived credit quality of the issuer or reference entity. Credit events may adversely affect the value of investments, as the amount, nature and timing of recovery may be uncertain.

- **Credit rating risk.** The risk that a credit rating agency may downgrade an issuer's credit rating. Investment restrictions may rely on credit rating thresholds and thus have an impact on securities selection and asset allocation. The Managers may be forced to sell securities at an unfavourable time or price. Credit rating agencies may fail to correctly assess the credit worthiness of issuers.

- **High Yield investment risk**. High yield debt (also known as non-investment-grade or speculative-grade) is defined as debt generally offering high yield, having low credit rating and high credit event risk. High yield bonds are often more volatile, less liquid and more prone to financial distress than other higher rated bonds. The valuation of high yield securities may be more difficult than other higher rated securities because of lack of liquidity. Investment in this kind of securities may lead to unrealised capital losses and/or losses that can negatively affect the net asset value of the Compartment.

- **Distressed and defaulted debt securities risk.** Bonds from issuers in distress are often defined as those (i) that have been given a very speculative long-term rating by credit rating agencies or those (ii) that have filed for bankruptcy or expected to file for bankruptcy. In some cases, the recovery of investments in distressed or defaulted debt securities is subject to uncertainty related to court orderings and corporate reorganisations among other things. Companies which issued the debt that has defaulted may also be liquidated. In that context, the Fund may receive, over a period of time, proceeds of the liquidation. The received amounts may be subject to a case-by-case specific tax treatment. The tax may be reclaimed by the authority independently from the proceed paid to the Fund. The valuation of distressed and defaulted securities may be more difficult than other higher rated securities because of lack of liquidity. The Compartment may incur legal expenses when trying to recover principal or interest payments. Investment in this kind of securities may lead to unrealised capital losses and/or losses that can negatively affect the net asset value of the Compartment.

*Liquidity risk*

The risk that arises from lack of marketability or presence of sale restrictions.

- **Asset liquidity risk.** The inability to sell an asset or liquidate a position within a defined timeframe without a significant loss in value. Asset illiquidity can be caused by lack of established market for the asset or lack of demand for the asset. Large positions in any class of securities of a single issuer can cause liquidity issues. Risk of illiquidity may exist due to the relatively undeveloped nature of financial markets in some countries. The Managers may be unable to sell assets at a favourable price and time because of illiquidity.
- **Investment restriction risk**. The risk arising from governmental capital controls or restrictions that may negatively impact the timing and amount of capital being divested. In some cases, the Compartments may not be able to withdraw investments made in some countries. Governments may change restrictions on foreign ownership of local assets, including but not limited to restrictions on sectors, individual and aggregate trading quotas, percentage of control and type of Shares available to foreigners. The Compartments may not be able to implement their strategies due to restrictions.
- **Restricted securities risk**. In some jurisdictions, and under particular circumstances, some securities may have a temporary restricted status which can limit the Fund's ability to resell them. In consequence of such market restrictions, the Compartment may suffer from reduced liquidity. For instance, under the 1933 Act, rule 144A addresses resale conditions of restricted securities, which include, but are not limited to, the purchaser qualifying as a qualified institutional buyer.

*Market risk*

The risk of loss due to movements in financial market prices and changes in factors that affect these movements. Market risk is further declined into risk items corresponding to major asset classes or market characteristics. Recessions or economic slowdowns impact financial markets and may decrease the value of investments.

- **Commodity risk**. The risk which arises from potential movements of commodity values, which include for instance agricultural products, metals, and energy products. The value of the Compartments can be indirectly impacted by changes in commodity prices.
- **Currency risk**. The risk which arises from potential movements of currency exchange rates. It is the risk which arises from the holding of assets denominated in currencies different from the Compartment's base currency. It may be affected by changes in currency exchange rates between the base currency and these other currencies or by changes in regulations controlling these currency exchange rates. It must therefore be expected that currency exchange risks cannot always be hedged and the volatility of currency exchange rates to which the Compartment is exposed may affect the net asset value of the Compartment.
- **Equity risk**. The risk which arises from potential movements in level and volatility of stock prices. Equity holders often support more risk than other creditors in the capital structure of an entity. Equity risk includes among other risks, the possibility of loss of capital and suspension of income (dividend) for dividend paying stocks. Initial Public Offering (IPO) risk also applies when companies are listed on an exchange for the first time. IPO securities have no trading history, and the available information related to the company may be limited. As a consequence, the prices of securities sold in IPOs may be highly volatile. The Fund may also not receive the targeted subscribed amount which may impact its performance. Such investments may generate substantial transaction costs.
- **Interest rate risk**. The risk which arises from potential movements in the level and volatility of yields. The value of investments in bonds and other debt securities or derivative instruments may rise or fall sharply as interest rates fluctuate. As a general rule, the value of fixed-rate instruments will increase when interest rates fall and vice-versa. In some instances, prepayments

(i.e. early unscheduled return of principal) can introduce reinvestment risk as proceeds may be reinvested at lower rates of return and impact the performance of the Compartments.

- **Real estate risk**. The risk which arises from potential movements in the level and volatility of real estate values. Real estate values are affected by a number of factors, including but not limited to changes in general and local economic conditions, changes in supply of and demand for competing properties in an area, changes in government regulations (such as rent control), changes in real property tax rates and changes in interest rates. The Compartment's value may be indirectly impacted by real estate market conditions.
- **Volatility risk.** The risk of uncertainty of price changes. Usually, the higher the volatility of an asset or instrument, the higher its risk. The prices for transferable securities in which the Compartments invest may change significantly in short-term periods.
- **Emerging market risk**. Emerging markets are often less regulated and less transparent than developed markets and are often characterised by poor corporate governance systems, non-normal distributions of returns and are more exposed to market manipulation. Investors should be aware that, due to the political and economic situation in some emerging countries, investments may present greater risk than those in developed markets. The accounting and financial information on the Companies in which the Compartments invest may be more cursory and less reliable. The risk of fraud is usually greater in emerging countries than in developed countries. Companies in which frauds are uncovered may be subject to large price movements and/or suspension of quotation. The risk that audit firms fail to uncover accounting errors or frauds is usually larger in emerging countries than in developed countries. The legal environment and laws governing ownership of securities in emerging countries may be imprecise and do not provide the same guarantees as the laws in developed countries, in the past there have been cases of fraudulent and falsified securities. Emerging markets risk includes various risks defined throughout this section such as capital repatriation restriction, counterparty, currency risk, interest rate risk, credit risk, equity risk, credit risk, liquidity risk, political risk, fraud, audit, volatility, illiquidity as well as restrictions on foreign investments risk among other risks. The choice of providers in some countries may be very limited and even the best-qualified providers may not offer guarantees comparable to those given by financial institutions and brokerage firms operating in developed countries.

*Compartment Specific Risks*

The set of risks attached to investment Compartments. The Compartments may not be able to implement their investment strategy or its asset allocation and the strategy may fail to achieve its investment objective. This may cause loss of capital and income, and if applicable, index tracking risk.

- **Hedging risk**. The risk arising from a Compartment's Class of Shares or investment being over or under hedged with regards to, but not limited to currency exposure and duration.
- **Redemption risk**. The inability to meet redemptions within a contractual timeframe without serious disruption of the portfolio structure or loss of value for the remaining Shareholders. Compartments' redemptions whether in cash or in kind may impair the strategy. Swings may apply to redemption and the applicable redemption price may differ from the net asset value per Share price at the disadvantage of the Shareholder redeeming Shares. In crisis periods, the risk of illiquidity may give rise to suspension of the calculation of the net asset value and temporarily impede the right of Shareholders to redeem their Shares.
- **Fund liquidation risk**. Liquidation risk is the inability to sell some holdings when a Compartment is being liquidated. This is the extreme case of redemption risk.
- **Dividend distribution risk.** Dividend distributions reduce the net asset value and may erode the capital.
- **Performance fee risk.** The existence of a performance fee on a particular Compartment has the benefit that it aligns the Manager's interests more with that of the Shareholders. However, because part of the Manager's remuneration is calculated by reference to the performance of the relevant Compartment, there is the possibility that the Manager will be tempted to make investments that are riskier and more speculative than if the remuneration was linked purely to the size of that Compartment.

**No equalisation.** Shareholders have to be conscient that the performance fee is not calculated on a share by share basis and that there is no equalisation mechanism or series of shares in order to allocate the performance fee amongst different Shareholders. The performance fee may not correspond to the individual performance of the Shares held by the Shareholders.

**Unrealized gain and losses.** The performance fee is based on the net realized and net unrealized gains and losses at the end of each performance period and as a result, a performance fee may be paid on unrealized gains which may subsequently never be realized and will impact the NAV per Share of the relevant Share Class.

**Futures losses.** A performance fee crystallised becomes payable to the investment manager and is neither affected by the future performance of the share class nor refundable in any subsequent financial years

*Sustainability risks*

The risk arising from any environmental, social or governance events or conditions that, were they to occur, could cause a material negative impact on the value of the investment.

The set of sustainability risks below are relevant to all investment strategies pursued, as all Compartment integrate sustainability risks. When selecting and monitoring investments, these sustainability risks are systematically considered along with all other risks deemed relevant for any Compartment, taking into account its investment policy / strategy.

Specific sustainability risks will vary for each compartment and asset class, and include but are not limited to the following:

› **Transition Risk**

The risk posed by the exposure to issuers that may potentially be negatively affected by the transition to a low carbon economy due to their involvement in exploration, production, processing, trading and sale of fossil fuels, or their dependency upon carbon intensive materials, processes, products and services. Transition risk may result from several factors, including rising costs and/or limitation of greenhouse gas emissions, energy-efficiency requirements, reduction in fossil fuel demand or shift to alternative energy sources, due to policy, regulatory, technological and market demand changes. Transition risks may negatively affect the value of investments by impairing assets or revenues, or by increasing liabilities, capital expenditures, operating and financing costs.

› **Physical Risk**

The risk posed by the exposure to issuers that may potentially be negatively affected by the physical impacts of climate change. Physical risk includes acute risks arising from extreme weather events such as storms, floods, droughts, fires or heatwaves, and chronic risks arising from gradual changes in the climate, such as changing rainfall patterns, rising sea levels, ocean acidification, and biodiversity loss. Physical risks may negatively affect the value of investments by impairing assets, productivity or revenues, or by increasing liabilities, capital expenditures, operating and financing costs.

› **Environmental Risk**

The risk posed by the exposure to issuers that may potentially be causing or affected by environmental degradation and/or depletion of natural resources. Environmental risk may result from air pollution, water pollution, waste generation, depletion of freshwater and marine resources, loss of biodiversity or damages to ecosystems. Environmental risks may negatively affect the value of investments by impairing assets, productivity or revenues, or by increasing liabilities, capital expenditures, operating and financing costs.

› **Social Risk**

The risk posed by the exposure to issuers that may potentially be negatively affected by social factors such as poor labour standards, human rights violations, damages to public health, data privacy breaches, or increased inequalities. Social risks may negatively affect the value of investments by impairing assets, productivity or revenues, or by increasing liabilities, capital expenditures, operating and financing costs.

› **Governance Risk**

The risk posed by the exposure to issuers that may potentially be negatively affected by weak governance structures. For companies, governance risk may result from malfunctioning boards, inadequate remuneration structures, abuses of minority shareholders or bondholders' rights, deficient controls, aggressive tax planning and accounting practices, or lack of business ethics. For countries, governance risk may include governmental instability, bribery and corruption, privacy breaches and lack of judicial independence. Governance risk may negatively affect the value of investments due to poor strategic decisions, conflicts of interest, reputational damages, increased liabilities or loss of investor confidence.

*Operational risk*
The risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events. Operational risk includes but is not limited to multiple risks such as: systems and process risk that arises from systems vulnerability, insufficiency or controls failure, valuation risk when an asset is overvalued and is worth less than expected when it matures or is sold, service providers risk when service providers do not deliver the desired level of service, execution risk when an order may not be executed as desired, resulting in a loss for the Compartments or having regulatory consequences, and risk surrounding the human being (insufficient or inappropriate skills/competencies, loss of key personal, availability, health, safety, fraud/collusion risk, etc.)

*Other risks*
This category lists all risks that do not belong to other categories and that are not specific to a market.

- **Legal risk**. The risk from uncertainty due to legal actions or uncertainty in the applicability or interpretation of contracts, laws or regulations.
- **Regulatory and compliance risk**. The risk that regulations, standards or rules of professional conduct may be violated resulting in legal and regulatory sanctions, financial losses or damage to one's reputation.
- **Concentration risk.** The risk of losses due to the limited diversification in the investments made. Diversification may be sought in terms of geography (economic zone, country, region, etc.), currency or sector. Concentration risk also relates to large positions in a single issuer relative to a Compartment's asset base. Concentrated investments are often more prone to political and economic factors and may suffer from increased volatility.
- **Political risk**. Political risk may arise from sudden changes in political regime and foreign policy which may result in large unexpected movements in the level of currencies, repatriation risk (i.e. restrictions on repatriation of funds from emerging countries) and volatility risk. This may lead to increased fluctuations in the exchange rate for these countries, asset prices and capital repatriation restrictions risk. In extreme cases, political changes can stem from terrorist attacks or lead to economic and armed conflicts. Some governments are implementing policies of economic and social liberalisation but there is no assurance that these reforms will be continued or that they will be beneficial to their economies in the long term. These reforms may be challenged or slowed by political or social events, or by national or international armed conflicts (such as the conflict in the former Yugoslavia). All these political risks may impair objectives set for a Compartment and negatively impact the net asset value.
- **Tax risk**. The risk of loss incurred by changes in tax regimes, loss of tax status or advantages. This may impact the Compartments' strategy, asset allocation and net asset value.
- **Trading venues risk.** The risk that exchanges discontinue the trading of assets and instruments. Suspensions and de-listings constitute the main risks related to trading exchanges. The Compartments may not be able to trade certain assets for a period of time.
- **Conflict of interest risk.** A situation that occurs when a service provider may disadvantage one party or client over another when holding multiple interests. Conflict of interest may concern but are not limited to voting right, soft dollar policies and in some cases Securities Lending Agreement. Conflicts of interest may be at the Compartments' disadvantage or cause legal issues.
- **Leverage risk.** Leverage may increase the volatility of the Compartment's net asset value and may amplify losses which could become significant and potentially cause a total loss of the net asset value in extreme market conditions. The extensive use of financial derivatives instruments may lead to a considerable leverage effect.
- **Custody risk.** Assets of the Fund are kept in custody by the Depositary Bank and investors are exposed to the risk of the Depositary Bank not being able to fully meet its obligation to recover all of the assets within a short time frame (including collateral) of the Fund in the case of bankruptcy of the Depositary Bank. The assets of the Fund will be identified in the Depositary Bank's books as belonging to the Fund. Securities held by the Depositary Bank will be segregated from other assets of the Depositary Bank which mitigates but does not exclude the risk of non-restitution in case of bankruptcy. However, no such segregation applies to cash which increases the risk of non-restitution in case of bankruptcy.

  Where securities (including collateral) are held with third-party delegates, such securities may be held by such entities in client omnibus accounts and in the event of a default by any such entity, where there is an irreconcilable shortfall of such securities, the Fund may have to share that shortfall on a pro-rata basis.

Securities may be transferred as collateral with title transfer to clearing brokers which therefore do not qualify as third-party delegate of the Depositary Bank and in respect of the acts or defaults of which the Depositary Bank shall have no liability. There may be circumstances where the Depositary Bank is relieved from liability for the acts or defaults of its appointed third-party delegates provided that the Depositary Bank has complied with its duties.

In addition, the Compartments may incur losses resulting from the acts or omissions of the Depositary Bank, or any of its third-party delegates when performing or settling transactions or when transferring money or securities. More generally, the Compartments are exposed to risks of loss associated to the Depositary Bank function if the Depositary Bank or a third-party delegate fails to perform its duties (improper performance).

- **Disaster risk.** The risk of loss caused by natural and/or man-made hazards. Disasters can impact economic regions, sectors and sometimes have a global impact on the economy and therefore the performance of the Compartment.

*Specific risks*

This category lists all risks that are specific to certain geographical areas or investment programmes.

- **Risk of investing in Russia**. Investments in Russia are subject to custody risk inherent to the country's legal and regulatory framework. This could cause loss of ownership of securities.

- **Risk of investing in the PRC.** Investments in the PRC are subject to restrictions by the local regulators and include among other things: daily and market aggregate trading quotas, restricted Classes of Shares, capital restrictions and ownership restrictions. The PRC authorities could impose new market restrictions, capital restrictions as well as nationalise, confiscate and expropriate firms or assets. On 14 November 2014, the Ministry of Finance, State of Administration of Taxation and CSRC jointly issued a notice in relation to the taxation rule on the Stock Connect under Caishui [2014] No.81 ("Notice No.81"). Under Notice No.81, Corporate income tax, individual income tax and business tax will be temporarily exempted on gains derived by Hong Kong and overseas investors (such as the Compartments) on the trading of China A-Shares through the Stock Connect with effect since 17 November 2014. However, Hong Kong and overseas investors (such as the Compartments) are required to pay tax on dividends and/or bonus shares at the rate of 10% which will be withheld and paid to the relevant authority by the listed companies. The Management Company and/or Managers reserve the right to provide for tax on gains of the relevant Compartments that invest in PRC securities thus impacting the valuation of the relevant Compartments. With the uncertainty of whether and how certain gains on PRC securities are to be taxed, the possibility of the laws, regulations and practice in the PRC changing, and the possibility of taxes being applied retrospectively, any provision for taxation made by the Management Company and/or the Managers may be excessive or inadequate to meet final PRC tax liabilities on gains derived from the disposal of PRC securities. In the event of insufficient provision, the tax due will be charged on the Fund's assets, and this may adversely affect them as a result. Consequently, investors may be advantaged or disadvantaged depending upon the final outcome of how such gains will be taxed, the level of provision and when they purchased and/or sold their Shares in/from the relevant Compartments.

- **QFI Risk.**

  1) QFI Regime Risk

  Under the prevailing regulations in China, foreign investors may invest in securities and investments permitted to be held or made by QFI under the relevant QFI regulations (the "**QFI Eligible Securities**") through institutions that have obtained QFI status in China.

  The QFI regime is governed by rules and regulations as promulgated by the mainland Chinese authorities, i.e., the CSRC, the SAFE and the PBC.

  Such rules and regulations may be amended from time to time and include (but are not limited to):

  (i) the "Measures for the Administration of Domestic Securities and Futures Investment by Qualified Foreign Institutional Investors and Renminbi ("RMB") Qualified Foreign Institutional Investors" jointly issued by the CSRC, the PBC and the SAFE on 25 September 2020 and effective from 1 November 2020;

  (ii) the "Provisions on Issues Concerning the Implementation of the Measures for the Administration of Domestic Securities and Futures Investment by Qualified Foreign Institutional Investors and RMB Qualified Foreign Institutional Investors" issued by the CSRC on 25 September 2020 and effective from 1 November 2020;

(iii) the "Regulations on Funds of Domestic Securities and Futures Investment by Foreign Institutional Investors" issued by the PBC and the SAFE on 7 May 2020 and effective from 6 June 2020; and

(iv) any other applicable regulations promulgated by the relevant authorities. (collectively, "QFI Regulations")

Based on the above prevailing QFI Regulations, the QFII regime and the RQFII regime have been merged and been regulated by the same set of regulations, and the previously separate requirements for QFII and RQFII qualifications are unified. A foreign institutional investor outside the PRC mainland may apply to the CSRC for the QFI License, while there is no need for a foreign institutional investor having held either a QFII or RQFII license to reapply for the QFI license. Any Manager which has been granted with a QFII license and/or RQFII license by CSRC shall be regarded as a QFI.

As of the date hereof, owing to the current QFI regulations and that the Compartments themselves are not QFIs, the relevant Compartments may invest in QFI Eligible Securities [indirectly through equity linked products, including but not limited to equity linked notes and participatory notes issued by institutions that have obtained QFI status (collectively referred to as "**CAAPs**"). The relevant Compartments may also invest directly in QFI Eligible Securities via the QFI status granted to PICTET AM Ltd as a QFI license holder ("**QFI Holder**").]

Investors should note that QFI status could be suspended or revoked, which may have an adverse effect on the Compartments' performance as the Compartments may be required to dispose of their securities holdings.

In addition, certain restrictions imposed by the Mainland China government on QFIs may have an adverse effect on the Compartments' liquidity and performance. The PBC and the SAFE regulate and monitor the repatriation of funds out of Mainland China by the QFI pursuant to the "Regulations on Funds of Domestic Securities and Futures Investment by Foreign Institutional Investors" issued by the PBC and the SAFE on 7 May 2020 and effective from 6 June 2020.

Repatriations by QFIs in respect of funds utilizing the QFI status are currently not subject to repatriation restrictions or prior approval, although a review on authenticity and compliance will be conducted on each remittance and repatriation by the PRC custodian(s) ("**PRC Custodian(s)**"). The repatriation process may be subject to certain requirements set out in the relevant regulations such as submission of certain documents, and completion of the repatriation process may be subject to delay. There is no assurance, however, that Mainland China rules and regulations will not change or that repatriation restrictions will not be imposed in the future. Any restrictions on repatriation of the invested capital and net profits may impact on the Compartments' ability to meet redemption requests from the investors. Furthermore, as the PRC Custodian(s)' review on authenticity and compliance is conducted on each repatriation, the repatriation may be delayed or even rejected by the PRC Custodian(s) in case of non-compliance with the QFI rules and regulations. In such case, it is expected that redemption proceeds will be paid to the redeeming investors as soon as practicable after completion of the repatriation of funds concerned. It should be noted that the actual time required for the completion of the relevant repatriation will be beyond the control of the Managers.

The rules and restrictions under QFI Regulations generally apply to the QFI as a whole and not simply to the investments made by the Compartments. Relevant PRC regulators are vested with the power to impose regulatory sanctions if the QFI or the PRC Custodian(s) violates any provision of the QFI rules. Any violations could result in the revocation of the QFI's license or other regulatory sanctions and may adversely impact on the investment by the Compartments.

Investors should note that there can be no assurance that a QFI will continue to maintain its QFI status to meet all applications for subscription to the Compartments, or that redemption requests can be processed in a timely manner due to repatriation restrictions or adverse changes in relevant laws or regulations. Such restrictions may respectively result in a rejection of applications and a suspension of dealings of the Compartments. In extreme circumstances, the Compartments may incur significant losses due to limited investment capabilities, or may not be able to fully implement or pursue their investment objective or strategy, due to QFI investment restrictions, illiquidity of the Mainland China securities market, and/or delay or disruption in execution of trades or in settlement of trades.

The QFI Regulations enable Offshore RMB (CNH) and/or foreign currencies which can be traded on the CFETS to be remitted into and repatriated out of Mainland China. The application of QFI Regulations may depend on the interpretation given by the relevant Chinese regulatory authorities. Any changes to the relevant rules may have an adverse impact on investors' investment in the Compartments.

The current QFI laws, rules and regulations are subject to change, which may take retrospective effect. In addition, there can be no assurance that the QFI laws, rules and regulations will not be abolished. The Compartments, which invest in the Mainland China markets through QFIs, may be adversely affected as a result of such changes.

2) Risks relating to the China A Share market via QFI

A Compartment may have exposure to the China A Share market through QFIs. The existence of a liquid trading market for China A Shares may depend on whether there is supply of, and demand for, such China A Shares. The price at which securities may be purchased or sold by the Compartment and the net asset value of the Compartment may be adversely affected if trading markets for China A Shares are limited or absent. The China A Share market may be more volatile and unstable (for example, due to the risk of suspension of a particular stock or government intervention). Market volatility and settlement difficulties in the China A Share markets may also result in significant fluctuations in the prices of the securities traded on such markets and thereby may affect the value of the Compartment.

Securities exchanges in Mainland China typically have the right to suspend or limit trading in any security traded on the relevant exchange. In particular, trading band limits are imposed by the stock exchanges in Mainland China on China A Shares, where trading in any China A Share security on the relevant stock exchange may be suspended if the trading price of the security has increased or decreased to the extent beyond the trading band limit. A suspension will render it impossible for the Managers of Compartment to liquidate positions and can thereby expose the Compartment to significant losses. Further, when the suspension is subsequently lifted, it may not be possible for the Managers of Compartment to liquidate positions at a favourable price.3) Custody and Broker Risk

The QFI Eligible Securities acquired by the QFI will be maintained by the PRC Custodian(s) in electronic form via a securities account with the CSDCC or such other central clearing and settlement institutions and a cash account with the PRC Custodian(s).

The QFI also selects the PRC brokers ("**PRC Broker(s)")** to execute transactions for the relevant Funds in the PRC markets. The QFI can appoint up to the maximum number of PRC Brokers per market (e.g. the Shanghai Stock Exchange and the Shenzhen Stock Exchange) as permitted by the QFI Regulations. Should, for any reason, the relevant Funds' ability to use the relevant PRC Broker be affected, this could disrupt the operations of the relevant Funds. The relevant Funds may also incur losses due to the acts or omissions of either the relevant PRC Broker(s) or the PRC Custodian(s) in the execution or settlement of any transaction or in the transfer of any funds or securities. Further, in the event of an irreconcilable shortfall in the assets in the securities accounts maintained by CSDCC which may arise due to a fault in the CSDCC or bankruptcy of CSDCC, the relevant Funds may suffer losses. It is possible that, in circumstances where only a single PRC Broker is appointed where it is considered appropriate to do so by the QFI, the relevant Compartments may not necessarily pay the lowest commission or spread available.

Subject to the applicable laws and regulations in China, the Depositary Bank will make arrangements to ensure that the PRC Custodians have appropriate procedures to properly safe keep the Funds' assets.

According to the QFI Regulations and market practice, the securities and cash accounts for the investment funds in China are to be maintained in the name of "the full name of the QFII– the name of the fund", ", "the full name of the QFI– the name of the client» or "the full name of the QFI– client funds". Notwithstanding these arrangements with third party custodians, the QFI Regulations are subject to the interpretation of the relevant authorities in China.

Moreover, given that pursuant to the QFI Regulations, the QFI will be the party entitled to the securities (albeit that this entitlement does not constitute an ownership interest), such QFI Eligible Securities of the relevant Funds may be vulnerable to a claim by a liquidator of the QFI and may not be as well protected as if they were registered solely in the name of the Funds concerned. In particular, there is a risk that creditors of the QFI may incorrectly assume that the relevant Compartment's assets belong to the QFI and such creditors may seek to gain control of the relevant Compartment's assets to meet the QFI's liabilities owed to such creditors.

Investors should note that cash deposited in the cash account of the relevant Funds with the PRC Custodian(s)will not be segregated but will be a debt owing from the PRC Custodian(s) to the relevant Funds as a depositor. Such cash will be co-mingled with cash belonging to other clients of the PRC Custodian(s). In the event of bankruptcy or liquidation of the PRC Custodian(s), the Funds concerned will not have any proprietary rights to the cash deposited in such cash account, and the Funds concerned will become an unsecured creditor, ranking pari passu with all other unsecured creditors, of the PRC Custodian(s). The Funds concerned may face difficulty and/or encounter delays in recovering such debt or may not be able to recover it in full or at all, in which case the Funds concerned will suffer losses.

The QFI shall entrust its PRC Custodian(s) to the PBC and SAFE as described in the Regulations on Funds of Domestic Securities and Futures Investment by Foreign Institutional Investors (PBC & SAFE Circular [2020] No. 2) . The QFI shall cooperate with its PRC Custodian(s) in fulfilling obligations regarding review of authenticity and compliance, anti-money laundering, anti-terrorist financing, etc.

4) Foreign Exchange Controls

RMB is currently not a freely convertible currency and is subject to exchange controls imposed by the Chinese government. As the relevant Funds invest in China, such controls could affect the repatriation of funds or assets out of the country, thus limiting the ability of the relevant Funds to satisfy redemption obligations.

Although the QFI may choose the currency and timing of capital inward remittances, inward remittance and repatriation made by the QFI for its domestic securities investments shall be in the same currency and no cross-currency arbitrage between RMB and other foreign currencies shall be allowed.

5) Onshore Versus Offshore Renminbi Differences Risk

While both the CNY and CNH are the same currency, they are traded in different and separated markets. The CNY and CNH are traded at different rates and their movement may not be in the same direction. Although there has been a growing amount of the RMB held offshore (i.e. outside China), the CNH cannot be freely remitted into China and is subject to certain restrictions, and vice versa. Any divergence between CNH and CNY may adversely impact investors. Where relevant Compartments invest in the QFI Eligible Securities through the RQFII capacity of a QFI (i.e. using CNH to be remitted into and repatriated out of Mainland China to carry out investments under the QFI regime), investors should note that subscriptions and redemptions in the relevant Compartments will be in USD and/or reference currency of the relevant share class and will be converted to/from the CNH and the investors will bear the forex expenses associated with such conversion and the risk of a potential difference between the CNY and CNH rates. The liquidity and trading price of the Funds concerned may also be adversely affected by the rate and liquidity of the RMB outside China.

- **CIBM risk.** The CIBM is an OTC market with a dominant share of the whole Chinese interbank market and is regulated and supervised by the PBC. Trading on the CIBM market may expose the Compartment to higher liquidity and counterparty risk. In order to access the CIBM market, the QFI manager must obtain prior approval from the PBC as a market participant. The Manager's approval may be refused or withdrawn at any time, at the discretion of the PBC, which may limit the Compartment's investment opportunities in the instruments traded on the CIBM market. Investors' attention is drawn to the fact that clearing and settlement systems on the Chinese securities market may not as yet be extensively tested, and are subject to increased risks due to errors in assessment and delays in settling transactions.

- **Stock Connect risk.** Certain Compartments may invest and have direct access to certain eligible China A-Shares via the Stock Connect and. The Shanghai-Hong Kong Stock Connect is a securities trading and clearing linked programme developed by HKEx, SSE and ChinaClear. The Shenzhen-Hong Kong Stock Connect is a securities trading and clearing linked programme developed by HKEx, SZSE and ChinaClear. The aim of Stock Connect is to achieve mutual stock market access between the PRC and Hong Kong.

  The Stock Connect comprises a Northbound Trading Link (for investment in China A-Shares) by which certain Compartments may be able to place orders to trade eligible shares listed on SSE and SZSE.

Under the Stock Connect, overseas investors (including the Compartments) may be allowed, subject to rules and regulations issued / amended from time to time, to trade certain SSE Securities and certain SZSE Securities through the Northbound Trading Link. The list of eligible securities may be changed subject to the review and approval by the relevant PRC regulators from time to time.

In addition to the risks associated with investments in China and risks related to investments in RMB, investments through the Stock Connect are subject to additional risks, namely, restrictions on foreign investments, trading venues risk, operational risk, restrictions on selling imposed by front-end monitoring, recalling of eligible stocks, settlement risk, custody risk, nominee arrangements in holding China A-Shares, tax and regulatory risks.

- **Differences in trading day**. The Stock Connect only operates on days when both the PRC and Hong Kong markets are open for trading and when banks in both markets are open on the corresponding settlement days. So it is possible that there are occasions when it is a normal trading day for the PRC market but Hong Kong investors (such as the Compartments) cannot carry out any China A-Shares trading, The Compartments may be subject to a risk of price fluctuations in China A-Shares during the time when the Stock Connect is not trading as a result.
- **Restrictions on selling imposed by front-end monitoring**. PRC regulations require that before an investor sells any Share, there should be sufficient Shares in the account; otherwise SSE or SZSE will reject the sell order concerned. SEHK will carry out pre-trade checking on China A-Shares sell orders of its participants (i.e., the stockbrokers) to ensure there is no over-selling.
- **Clearing settlement and custody risks**. The China A-Shares traded through Stock Connect are issued in scriptless form, so investors, such as the relevant Compartments, will not hold any physical China A-Shares. Hong Kong and overseas investors, such as the Compartments, who have acquired SSE and SZSE Securities through Northbound trading should maintain the SSE and SZSE Securities with their brokers' or custodians' stock accounts with the Central Clearing and Settlement System operated by HKSCC for the clearing securities listed or traded on SEHK. Further information on the custody set-up relating to the Stock Connect is available upon request at the registered office of the Company.
- **Operational risk**. The Stock Connect provides a new channel for investors from Hong Kong and overseas, such as the Compartments, to access the China stock market directly. The Stock Connect is premised on the functioning of the operational systems of the relevant market participants. Market participants are able to participate in this programme subject to meeting certain information technology capability, risk management and other requirements as may be specified by the relevant exchange and/or clearing house. It should be appreciated that the securities regimes and legal systems of the two markets differ significantly and in order for the trial programme to operate, market participants may need to address issues arising from the differences on an on-going basis. Further, the "connectivity" in the Stock Connect programme requires routing of orders across the border. This requires the development of new information technology systems on the part of the SEHK and exchange participants (i.e. a new order routing system ("**China Stock Connect System**") to be set up by SEHK to which exchange participants need to connect). There is no assurance that the systems of the SEHK and market participants will function properly or will continue to be adapted to changes and developments in both markets. In the event that the relevant systems failed to function properly, trading in both markets through the programme could be disrupted. The relevant Compartments' ability to access the China A-Shares market (and hence

to pursue their investment strategy) will be adversely affected.

- **Nominee arrangements in holding China A-Shares**. HKSCC is the "nominee holder" of the SSE and SZSE securities acquired by overseas investors (including the relevant Compartments) through the Stock Connect. The CSRC Stock Connect rules expressly provide that investors such as the Compartments enjoy the rights and benefits of the SSE and SZSE securities acquired through the Stock Connect in accordance with applicable laws. However, the courts in the PRC may consider that any nominee or custodian as registered holder of SSE and SZSE securities would have full ownership thereof, and that even if the concept of beneficial owner is recognised under PRC law those SSE and SZSE securities would form part of the pool of assets of such entity available for distribution to creditors of such entities and/or that a beneficial owner may have no rights whatsoever in respect thereof. Consequently, the relevant Compartments and the Custodian Bank cannot ensure that the Compartments' ownership of these securities or title thereto is assured in all circumstances. Under the rules of the Central Clearing and Settlement System operated by HKSCC for the clearing of securities listed or traded on SEHK, HKSCC as nominee holder shall have no obligation to take any legal action or court proceeding to enforce any rights on behalf of the investors in respect of the SSE and SZSE securities in the PRC or elsewhere. Therefore, although the relevant Compartments' ownership may be ultimately recognised, these Compartments may suffer difficulties or delays in enforcing their rights in China A-Shares. To the extent that HKSCC is deemed to be performing safekeeping functions with respect to assets held through it, it should be noted that the Custodian and the relevant Compartments will have no legal relationship with HKSCC and no direct legal recourse against HKSCC in the event that a Compartment suffers losses resulting from the performance or insolvency of HKSCC.

- **Investor compensation**. Investments of the relevant Compartments through Northbound trading under the Stock Connect will not be covered by Hong Kong's Investor Compensation Fund. Hong Kong's Investor Compensation Fund is established to pay compensation to investors of any nationality who suffer pecuniary losses as a result of default of a licensed intermediary or authorised financial institution in relation to exchange-traded products in Hong Kong. Since default matters in Northbound trading via the Stock Connect do not involve products listed or traded in SEHK or Hong Kong Futures Exchange Limited, they will not be covered by the Investor Compensation Fund. On the other hand, since the relevant Compartments are carrying out Northbound trading through securities brokers in Hong Kong but not PRC brokers, therefore they are not protected by the China Securities Investor Protection in the PRC.

- **Trading costs**. In addition to paying trading fees and stamp duties in connection with China A-Share trading, the relevant Compartments may be subject to portfolio fees, dividend tax and tax concerned with income arising from stock transfers.

- **Regulatory risk**. The CSRC Stock Connect rules are departmental regulations having legal effect in the PRC. However, the application of such rules is untested, and there is no assurance that PRC courts will recognise such rules, e.g. in liquidation proceedings of PRC companies.

  The Stock Connect is novel in nature and is subject to regulations promulgated by regulatory authorities and implementation rules made by the stock exchanges in the PRC and Hong Kong. Further, new regulations may be promulgated from time to time by the regulators in connection with operations and cross-border legal enforcement in connection with cross-border trades under the Stock Connect.

The regulations are untested so far and there is no certainty as to how they will be applied. Moreover, the current regulations are subject to change. There can be no assurance that the Stock Connect will not be abolished. The relevant Compartments which may invest in the PRC markets through Stock Connect may be adversely affected as a result of such changes.

– **Risks associated with the Small and Medium Enterprise board (SME) and/or ChiNext market.** SZSE offers the Compartment to access mainly to small and medium capitalisation enterprises. Investing in such companies magnifies the risks listed in the Risk Factor of the concerned Compartment.

› **Bond Connect risk.** Bond Connect is a new initiative launched in July 2017 for mutual bond market access between Hong Kong and Mainland China established by CFETS, China Central Depository & Clearing Co., Ltd, Shanghai Clearing House, and HKEx and Central Moneymarkets Unit.

Under the prevailing regulations in Mainland China, eligible foreign investors will be allowed to invest in the bonds circulated in the CIBM through the northbound trading of Bond Connect ("Northbound Trading Link"). There will be no investment quota for Northbound Trading Link.

Under the Northbound Trading Link, eligible foreign investors are required to appoint the CFETS or other institutions recognised by the PBC as registration agents to apply for registration with the PBC.

Pursuant to the prevailing regulations in Mainland China, an offshore custody agent recognised by the Hong Kong Monetary Authority (currently, the Central Moneymarkets Unit) shall open omnibus nominee accounts with the onshore custody agent recognised by the PBC (currently, the China Securities Depository & Clearing Co., Ltd and Interbank Clearing Company Limited). All bonds traded by eligible foreign investors will be registered in the name of Central Moneymarkets Unit, which will hold such bonds as a nominee owner.

For investments via Bond Connect, the relevant filings, registration with PBOC and account opening have to be carried out via an onshore settlement agent, offshore custody agent, registration agent or other third parties (as the case may be). As such, a Compartment is subject to the risks of default or errors on the part of such third parties.

Investing in the CIBM via Bond Connect is also subject to regulatory risks.

The relevant rules and regulations on these regimes are subject to change which may have potential retrospective effect. In the event that the relevant Mainland Chinese authorities suspend account opening or trading on the CIBM, a Compartment's ability to invest in the CIBM will be adversely affected. In such event, a Compartment's ability to achieve its investment objective will be negatively affected.

On 22 November 2018, China's Ministry of Finance and the State Administration of taxation indicated in their Circular 108 that a three-year corporate income tax ("CIT") and value added tax ("VAT") exemption, starting on 7 November 2018, would apply to foreign institutional investors on bond interest income derived from the Chinese bond market. Capital gains realized on Chinese bonds are also temporarily exempt from CIT and VAT for the time being. There is however no certainty that these exemptions will be continuously applied in the future (and after the expiry of the 3-year exemption period for bond interest income referred to above).

› **Chinese currency exchange rate risk.** RMB can be traded onshore (in CNY in mainland China) and offshore (in CNH outside mainland China, mainly in Hong Kong). Onshore RMB (CNY) is not a free currency and is controlled by PRC authorities. The Chinese RMB is traded both directly within China (code CNY) and outside the country, primarily in Hong Kong (code CNH). The currency in question is one and the same. The onshore RMB (CNY), traded directly within China, is not freely convertible, and is subject to exchange controls and a number of requirements made by the Chinese government. The offshore RMB (CNH), traded outside China, is free-floating and subject to the impact of private demand on the currency. It may be that the exchange rates traded between a currency and the CNY or CNH, or in "non-deliverable forward" transactions, are different. As a result, the Compartment may be exposed to greater currency exchange risks. Trading restrictions on CNY may limit currency hedging or result in ineffective hedges.

- **Singaporean tax risk for Compartments having Pictet AMS as Manager.** The comments made in this section are only relevant to Compartments for which the Management Company has delegated part or whole of the portfolio management to Pictet AMS.

  These comments are based upon the current Singapore Income tax laws and regulations (including miscellaneous amendment bills) and the related practice and interpretation of such laws; which are subject to change at any time, possibly on a retroactive basis, and could adversely affect the comments herein.

  – **Singapore corporate income tax – General principle**

    Singapore income tax is imposed on the income of any person that is accrued in or derived from Singapore (i.e. Singapore-sourced income), or received or deemed received in Singapore from outside Singapore (i.e. foreign-sourced income), in respect of any trade or business carried on by that person, unless any tax exemption is applicable under the Singapore Income Tax Act ("SITA").

    Consequently, if the investments and divestments of a given Compartment are managed by Pictet AMS, such Compartment may be construed to be carrying on activities of a trade or business in Singapore. Accordingly, the income and gains derived by this Compartment may be considered income accruing in or derived from Singapore and be subject to Singaporean corporate tax at the rate of 17% at the date of writing.

  – **Singapore corporate income tax – Available exemptions for offshore funds (from a Singaporean perspective).** It is the Management Company's intention to mitigate the above-described taxable risk by relying on one of the two Singaporean tax exemptions available for offshore funds, codified respectively under Section 13D (for the so-called "Offshore Fund Tax Exemption") and Section 13U (for the so-called "Enhanced Tier Fund" exemption) of the SITA.

    Under both Singaporean tax exemptions available for offshore funds, "specified income" derived in respect of "designated investments" is exempt from income tax in Singapore (please refer to the next sub-section for more details).

    The Management Company is responsible for choosing, at its own discretion, the most appropriate Singaporean tax exemption which will apply at Fund level (i.e. all Compartments of the Fund which have Pictet AMS as Manager will rely on the same Singaporean tax exemption).

    The Management Company and Pictet AMS will endeavour to conduct the affairs of the Fund and more particularly of the relevant Compartments such that they will qualify for the retained Singaporean tax exemption scheme. There is, however, no assurance that the Management Company and/or Pictet AMS will be able, on an ongoing basis, to ensure that the Fund and the relevant Compartments will always meet all the qualifying conditions for the retained Singaporean tax exemption scheme. In case of such disqualification, the relevant Compartments may be exposed to Singapore tax on their income and gains, wholly or partially, at the prevailing corporate tax rate at the time the disqualification occurs.

  – **"Specified Income" and "Designated investments"**

  – **"Specified Income".** Unless specifically excluded, all income and gains derived on or after 19 February 2022 from "designated investments" will be considered as "specified income". Excluded income or gains are defined to be:

    a. distributions made by a trustee of a real estate investment trust (as defined in Section 43(10) of the SITA) that is listed on the Singapore Exchange;

    b. distributions made by a trustee of a trust who is a resident of Singapore or a permanent establishment in Singapore, other than a trust that enjoys tax exemption under Sections 13D, 13F, 13L or 13U of the SITA;

c. income or gain derived or deemed to be derived from Singapore from a publicly-traded partnership and/ or non-publicly traded partnership, where tax is paid or payable in Singapore on such income of the partnership by deduction or otherwise; and

d. income or gain derived or deemed to be derived from Singapore from a limited liability company, where tax is paid or payable in Singapore on such income of the limited liability company by deduction or otherwise.

– **"Designated Investments"** The list of "designated investments" on or after 19 February 2022 is defined to mean:

a. stocks and shares of any company, other than an unlisted company that is in the business of trading or holding of Singapore immovable properties (other than one that is in the business of property development);

b. debt securities (i.e. bonds, notes, commercial papers, treasury bills and certificates of deposits), other than non-qualifying debt securities[1] issued by an unlisted company that is in the business of trading or holding of Singapore immovable properties (other than one that is in the business of property development;

c. units in real estate investment trusts and exchange traded funds constituted in the form of trusts and other securities (not already covered in other sub-paragraphs of this "designated investments" list) but excludes any securities issued by any unlisted company that is in the business of trading or holding of Singapore immovable properties (other than one that is in the business of property development);

d. futures contracts held in any futures exchanges;

e. immovable property situated outside Singapore;

f. deposits placed with any financial institution;

g. foreign exchange transactions;

h. interest rate or currency contracts on a forward basis, interest rate or currency options, interest rate or currency swaps, and financial derivatives relating to any designated investment specified in this list or financial index;

i. units in any unit trust, except:

› a unit trust that invests in Singapore immovable properties;

› a unit trust that holds stock, shares, debt or any other securities, that are issued by any unlisted company that is in the business of trading or holding of Singapore immovable properties (other than one that is in the business of property development); and

› a unit trust that grant loans that are excluded under (j);

j. loans, including secondary loans, credit facilities and advances, except:

› loans granted to any unlisted company that is in the business of trading or holding of Singapore immovable properties (other than one that is in the business of property development);

› loans to finance/ re-finance the acquisition of Singapore immovable properties; and

› loans that are used to acquire stocks, shares, debt or any other securities, that are issued by an unlisted company that is in the

1 "Non-qualifying debt securities" will refer to debt securities that do not enjoy the "Qualifying Debt Securities" tax status as defined under Section 13(16) of the Income Tax Act.

business of trading or holding of Singapore immovable properties (other than one that is in the business of property development);

k. commodity derivatives[2];

l. physical commodities other than physical investment precious metals mentioned in (z) if:

› the trading of those physical commodities by the "prescribed person" in the basis period for any year of assessment is done in connection with and is incidental to its trading of commodity derivatives (referred to in this sub-paragraph as related commodity derivatives) in that basis period; and

› the trade volume of those physical commodities traded by the "prescribed person" in that basis period does not exceed 15% of the total trade volume of those physical commodities and related commodity derivatives traded in that basis period;

m. units in a registered business trust;

n. emission derivatives[3] and emission allowances;

o. liquidation claims;

p. structured products (as defined in Section 13(16) of the Income Tax Act);

q. Islamic financial products[4] and investments in prescribed Islamic financing arrangements under Section 34B of the Income Tax Act that are commercial equivalents of any of the other "designated investments" specified in this list;

r. private trusts that invest wholly in "designated investments";

s. freight derivatives[5];

t. publicly-traded partnerships that do not carry on a trade, business, profession or vocation in Singapore[6];

u. interests in limited liability companies that do not carry on any trade, business, profession or vocation in Singapore;

v. bankers' acceptances issued by financial institutions;

w. accounts receivables and letters of credits; and

x. interests in Tokumei Kumiai ("TK")7 and Tokutei Mokuteki Kaisha ("TMK")8

y. Non-publicly-traded partnerships that:

› do not carry on a trade, business, profession or vocation in Singapore; and

› invest wholly in designated investments; and

z. Physical investment precious metals ( " IPM" ), if the investment in those physical investment precious metals does not exceed 5% of the total investment portfolio, calculated in accordance with the formula $A \leqslant 5\%$ of B, where –

› A is the average month-end value of the total investment portfolio in physical IPMs over the basis period; and

› B is the value of the total investment portfolio as at the last day of the basis period.

›

2 Commodity derivatives means derivatives the payoffs of which are wholly linked to the payoffs or performance of the underlying commodity.

3 Emission derivatives means derivatives, the payoffs of which are wholly linked to the payoffs or performance of the underlying emission allowances.

4 Recognised by a Shariah council, whether in Singapore or overseas.

5 Freight derivatives means derivatives, the payoffs of which are wholly linked to the payoffs or performance of the underlying freight rates.

6 The allocation of profits from such partnerships to the fund vehicle will be considered as specified income. However, the fund vehicle would not be entitled to a refund of any taxes that was imposed on the partnership profits. This would relate to the publicly-traded partnerships' profits which are derived or deemed to be derived from Singapore, and examples of such income are payments that fall within section 12(6) and (7) of the ITA.

7 A TK is a contractual arrangement under which one or more silent investors (the TK investor) makes a contribution to a Japanese operating company (the TK operator) in return for a share in the profit/ loss of a specified business conducted by the TK operator (the TK business).

8 A TMK is generally a type of corporation formed under Japanese law. It is a structure/ entity used for securitisation purposes in Japan. TMK was not mentioned in Annex 2 of FDD Cir 09/2019 and is now included herein for the avoidance of doubt.

*Product / Techniques risks*

This category lists all risks related to investment products or techniques.

- **Securities Lending Agreement risk**. The risk of loss if the borrower (i.e. the counterparty) of securities loaned by the Fund/Compartment defaults on payment, there is a risk of delayed recovery (which may limit the Fund/Compartment's ability to meet its commitments) or risk of loss of rights on the collateral held. This risk is however mitigated by the solvency analysis of the borrower performed by the Agent.
- **Repurchase and Reverse Repurchase Agreement risk**. The risks associated with Repurchase and Reverse Repurchase Agreements arise if the counterparty to the transaction defaults or goes bankrupt and the Compartment experiences losses or delays in recovering its investments. Although Repurchase Agreements are by their nature fully collateralised, the Compartment could incur a loss if the value of the securities sold has increased in value relative to the value of the cash or margin held by the Compartment. In a Reverse Repurchase Agreement, the Compartment could incur a loss if the value of the purchased securities has decreased in value relative to the value of the cash or margin held by the Compartment.
- **Sukuk risk.** Sukuk are mainly issued by issuers of emerging countries and the relevant Compartments bear the related risks. Sukuk prices are mostly driven by the interest rate market and react like fixed-income investments to changes in the interest rate market. In addition, the issuers may not be able or willing to repay the principal and/or the return in accordance with the term scheduled due to external or political factors/events. Sukuk holders may also be affected by additional risks such as unilateral rescheduling of the payment calendar and limited legal recourses against the issuers in case of failure or delay in repayment. Sukuk issued by governmental or government-related entities bear additional risks linked to such issuers, including but not limited to political risk.
- **Financial derivative instruments risk**. Derivative instruments are contracts whose price or value depends on the value of one or multiple underlying assets or data as defined in standardized or tailored contracts. Assets or data may include but are not limited to equity, index, commodity and fixed-income prices, currency pair exchange rates, interest rates, weather conditions as well as, and when applicable, volatility or credit quality related to these assets or data. Derivative instruments can be very complex by nature and subject to valuation risk. Derivatives instruments can be exchange traded (ETD) or dealt over the counter (OTC). Depending on the nature of instruments, counterparty risk can accrue to one or both parties engaged in an OTC contract. A counterparty may not be willing or able to unwind a position in a derivative instrument and this inability to trade may cause the relevant Compartments to be over-exposed to a counterparty among other things. Derivative instruments may have a considerable leverage effect, and due to their volatility, some instruments, such as warrants, present an above-average economic risk. The use of derivative instruments involves certain risks that could have a negative effect on the performance of the Compartments. While the Compartments expect that the returns on a synthetic security will generally reflect those of the related investment, as a result of the terms of the synthetic security, and the assumption of the credit risk of the applicable counterparty, a synthetic security may have, when applicable, a different expected return, a different (and potentially greater) probability of default, a different (and potentially greater) expected loss characteristic following a default, and a different (and potentially lower) expected recovery following default. Upon default on a related investment, or in certain circumstances, default, or other actions by an issuer of a related investment, the terms of the relevant synthetic security may permit, or require the counterparty to satisfy its obligations under the synthetic security by delivering to the Compartments the investment or an amount equal to the then current market value of the investment. In addition, upon maturity, default, acceleration, or any other termination (including a put or call) of the synthetic security, the terms of the synthetic security may permit, or require the counterparty to satisfy its obligations under the synthetic security by delivering to the Compartments' securities, other than the related investment or an amount different to the then current market value of the investment. In addition to the credit risks associated with holding investments, with respect to some synthetic securities, the Compartments will usually have a contractual relationship with the relevant counterparty only, and not with the underlying issuer of the relevant investment. The Compartment generally will not have the right to directly enforce compliance by the issuer with the terms of the investment, or any rights of set-off against the issuer, nor have any voting rights with respect to the investment. The main types of derivative financial instruments include but are not limited to Futures, Forwards, Swaps, Options, on

underlying such as equity, interest rates, credit, foreign exchange rates and Commodity. Example of Derivatives include but are not limited to Total Return Swaps, Credit Default Swaps, Swaptions, Interest Rate Swaps, Variance Swaps, Volatility Swaps, Equity Options, Bond Options and Currency Options. Derivative financial products and instruments are defined in the section "Investment restrictions" of the Prospectus.

- **Structured Finance Securities risk**. Structured finance securities include, but are not limited to, asset-backed securities, asset-backed commercial papers, credit-linked notes and portfolio credit-linked notes. Structured finance securities may sometimes have embedded derivatives. Structure finance securities may have different degrees of risk depending on the characteristics of the security and the risk of the underlying asset or pool of assets. In comparison to the underlying asset or pool of assets, structured finance securities may have greater liquidity, credit and market risk. Structured finance securities are defined in the section "Investment Restrictions" of the Prospectus.
- **Contingent Convertibles instruments risk.** Certain Compartments may invest in Contingent Convertible Bonds (sometimes referred to as "CoCo Bonds")). Under the terms of a Contingent Convertible Bond, certain triggering events, including events under the control of the management of the Contingent Convertible Bond's issuer, could cause the permanent write-down to zero of principal investment and/or accrued interest, or a conversion to equity. These triggering events may include (i) a deduction in the issuing bank's Core Tier 1/Common Equity Tier 1 (CT1/CET1) ratio (or other capital ratios) below a pre-set limit, (ii) a regulatory authority, at any time, making a subjective determination that an institution is "nonviable", i.e., a determination that the issuing bank requires public sector support in order to prevent the issuer from becoming insolvent, bankrupt, unable to pay a material part of its debts as they fall due or otherwise carry on its business and requiring or causing the conversion of the Contingent Convertibles Bonds into equity in circumstances that are beyond the control of the issuer or (iii) a national authority deciding to inject capital. The attention of investors investing in Compartments that are allowed to invest in Contingent Convertibles Bonds is drawn to the following risks linked to an investment in this type of instruments.
  - **Trigger level risk.** Trigger levels differ and determine exposure to conversion risk depending on the CET1 distance to the trigger level. The conversion triggers are disclosed in the prospectus of each issuance. The amount of CET1 varies depending on the issuer while trigger levels differ depending on the specific terms of issuance. The trigger could be activated either through a material loss in capital as represented in the numerator or an increase in risk weighted assets as measured in the denominator.
  - **Write-down, conversion and coupon cancellation risk.** All Contingent Convertible Bonds (Additional Tier 1 and Tier 2) are subject to conversion or write down when the issuing bank reaches the trigger level. Compartments could suffer losses related to write downs or be negatively affected by the unfavourable timing of conversion to equity. Additionally, coupon payments on Additional Tier 1 (AT1) Contingent Convertible Bonds are entirely discretionary and may be cancelled by the issuer at any point, for any reason, and for any length of time, in a going concern situation. The cancellation of coupon payments on AT1 Contingent Convertible Bonds does not amount to an event of default. Cancelled payments do not accumulate and are instead written off. This significantly increases uncertainty in the valuation of AT1 Contingent Convertible Bonds and may lead to mispricing of risk. AT1 Contingent Convertible Bonds holders may see their coupons cancelled while the issuer continues to pay dividends on its common equity and variable compensation to its workforce.
  - **Capital structure inversion risk.** Contrary to classic capital hierarchy, holders of Contingent Convertible Bonds may suffer a loss of capital when equity holders do not. In certain scenarios, holders of Contingent Convertible Bonds will suffer losses ahead of equity holders, e.g., when a high trigger principal write-down Contingent Convertible Bond is activated. These cuts against the normal order of capital structure

hierarchy where equity holders are expected to suffer the first loss. This is less likely with a low trigger Contingent Convertible Bond when equity holders will already have suffered loss. Moreover, high trigger Tier 2 Contingent Convertible Bonds may suffer losses not at the point of gone concern but conceivably in advance of lower trigger AT1 Contingent Convertible Bonds and equity.

- **Call extension risk.** Most Contingent Convertible Bonds are issued as perpetual instruments, callable at pre-determined levels only with the approval of the competent authority. It cannot be assumed that the perpetual Contingent Convertible Bonds will be called on call date. Perpetual Contingent Convertible Bonds are a form of permanent capital. The investor may not receive return of principal if expected on call date or indeed at any date.

- **Unknown risk.** The structure of the instruments is innovative yet untested. In a stressed environment, when the underlying features of these instruments will be put to the test, it is uncertain how they will perform. In the event a single issuer activates a trigger or suspends coupons, potential price contagion and volatility to the entire asset class is possible. This risk may in turn be reinforced depending on the level of underlying instrument arbitrage. There exists uncertainty in the context of a supervisory decision establishing when the point of non-viability has been reached as well as in the context of a statutory bail-in set up under the new Bank Recovery and Resolution Directive.

- **Sector concentration risk**. Contingent Convertible Bonds are issued by banking/insurance institutions. If a Compartment invests significantly in Contingent Convertible Bonds its performance will depend to a greater extent on the overall condition of the financial services industry than a Compartment following a more diversified strategy.

- **Liquidity risk.** In certain circumstances finding a ready buyer for Contingent Convertible Bonds may be difficult and the seller may have to accept a significant discount to the expected value of the bond in order to sell it.

- **Valuation risk**. Contingent Convertible Bonds often have attractive yields which may be viewed as a complexity premium. Relative to more highly rated debt issues of the same issuer or similarly rated debt issues of other issuers, Contingent Convertible Bonds tend to compare favourably from a yield standpoint. The risk of conversion or, for AT1 Contingent Convertible Bonds, coupon cancellation, may not be fully reflected in the price of Contingent Convertible Bonds. The following factors are important in the valuation of Contingent Convertible bonds: the probability of a trigger being activated, the extent and probability of any losses upon trigger conversion (not only from write-downs but also from unfavourably timed conversion to equity) and (for AT1 Contingent Convertible Bonds) the likelihood of cancellation of coupons. Individual regulatory requirements relating to the capital buffer, the issuers' future capital position, issuers' behaviour in relation to coupon payments on AT1 Contingent Convertible Bonds, and any risks of contagion are discretionary and/or difficult to estimate.

› **ABS and MBS risk.** Certain Compartments may have exposure to a wide range of asset-backed securities (including asset pools in credit card loans, auto loans, residential and commercial mortgage loans, collateralised mortgage obligations and collateralised debt obligations), agency mortgage pass-through securities and covered bonds. The obligations associated with these securities may be subject to greater credit, liquidity and interest rate risk compared to other debt securities such as government issued bonds. ABS and MBS are securities that entitle the holders thereof to receive payments that are primarily dependent upon the cash flow arising from a specified pool of financial assets such as residential or commercial mortgages, motor vehicle loans or credit cards. ABS and MBS are often exposed to extension and prepayment risks that may have a substantial impact on the timing and size of the cash flows paid by the securities and may negatively impact the returns of the securities. The average life of each individual security may be affected by a large number of factors such as the existence and frequency of exercise of any optional redemption and mandatory prepayment, the prevailing level of interest rates, the actual default rate of the underlying assets, the timing of recoveries and the level of rotation in the underlying assets.

- **Depositary receipts risk**. Depositary receipts (ADRs, GDRs and EDRs) are instruments that represent shares in companies trading outside the markets in which the depositary receipts are traded. Accordingly, whilst the depositary receipts are traded on Recognised Exchanges, there may be other risks associated with such instruments to consider- for example the shares underlying the instruments may be subject to political, inflationary, exchange rate or custody risks.
- **Real Estate Investment Trusts (REITs) risk**. There are special risk considerations associated with investing in the real estate industry securities such as Real Estate Investment Trusts (REITs) and the securities of companies principally engaged in the real estate industry. These risks include: the cyclical nature of real estate values, risks related to general and local economic conditions, overbuilding and increased competition, increases in property taxes and operating expenses, demographic trends and variations in rental income, changes in zoning laws, casualty or condemnation losses, environmental risks, regulatory limitations on rents, changes in neighbourhood values, related party risks, changes in the appeal of properties to tenants, increases in interest rates and other real estate capital market influences. Generally, increases in interest rates will increase the costs of obtaining financing, which could directly and indirectly decrease the value of a Fund investing in the Real Estate Industry.
- **Risks linked to investments in other UCIs.** The investment of the Compartment in other UCIs or UCITS involves the following risks:
  - Fluctuations in the currency of the country in which that UCI/UCITS fund invests, or the regulations governing exchange control, the application of tax regulations of the various countries, including withholding, and changes in governmental, economic or monetary policies of the countries concerned, can have an effect on the value of an investment represented by a UCI/UCITS in which the Compartment invests; in addition, it should be noted that the net asset value per Share of the Compartment can fluctuate in the wake of the net asset value of the UCI/UCITS in question, in particular where the UCI/UCITS funds that invest mainly in equities are concerned, due to the fact that they present volatility greater than that of UCI/UCITS funds that invest in bonds and/or other liquid financial assets.
  - Nonetheless, the risks linked to investments in other UCI/UCITS are limited to the loss of the investment made by the Compartment.
- **SPACs risk.** Special Purpose Acquisition Companies ("SPACs") are publicly traded corporations formed at the initiative of a sponsor, with the intention to acquire a business, thus providing an alternative to traditional IPOs. A SPAC IPO is often structured to offer investors a unit of securities consisting of shares of common stock and warrants, to finance the acquisition. The structure of SPAC transactions can be complex. The risk of conflict of interests at sponsor level is inherent in any SPAC transaction, SPAC sponsors benefit more than investors from the SPAC's completion of an initial business combination and may have an incentive to complete a transaction on terms that may be less favorable to investors. There is possible future dilution arising from the payment of the sponsors' fees in shares, the exercise of warrants and/or in relation to the financing of the acquisition. A SPAC may identify in its IPO prospectus a specific industry or business that it will target as it seeks to combine with an operating company, however there is uncertainty on the identification of the target company during the initial IPO, its valuation and its eligibility. Investments in SPACs may be exposed to greater liquidity risk.

## ANNEX 1: COMPARTMENTS SPECIFICATIONS

This Annex will be updated to account for any change in an existing Compartment or when a new Compartment is created.

### 1. PICTET TR – CORTO EUROPE

#### Investor type profile

The Compartment is an actively managed investment vehicle for investors:

- Who wish to invest primarily in shares of European companies which future looks promising while taking short positions through the use of financial derivative instruments in shares that look overvalued.
- Who are willing to bear variations in market value and thus have a low aversion to risk.

#### Investment policy and objectives

The Compartment follows an equity long/short investment strategy. The objective of the Compartment is to achieve long-term capital growth in absolute terms with a strong focus on capital preservation.

Traditional long positions are coupled with (synthetic) long and short positions, which will be achieved through the use of financial derivative instruments (such as total return swaps).

The Compartment will principally invest in equities, equity related securities (such as but not limited to ordinary or preferred shares), deposits and money market instruments (for cash management only). The main portion of the equities and equity related securities part will be invested in companies which are domiciled, headquartered or exercise the predominant part of their economic activity in Europe.

Except the above-mentioned geographical criteria, the choice of investments will neither be limited by an economic sector nor in terms of currencies in which investments will be denominated. However, depending on financial market conditions, a particular focus can be placed in a single European country and/or in a single currency and/or in a single economic sector.

The Compartment may enter into Securities Lending Agreements, Repurchase Agreements and Reverse Repurchase Agreements in order to increase its capital or its revenue or to reduce its costs or risks.

For hedging and for any other purposes, within the limits set out in the chapter "Investment restrictions" of the Prospectus, the Compartment may use all types of financial derivative instruments traded on a regulated market and/or over the counter (OTC) provided they are contracted with leading financial institutions specialized in this type of transactions. In particular, the Compartment may take exposure through any financial derivative instruments such as but not limited to warrants, futures, options, swaps (including but not limited to total return swaps, contracts for difference, credit default swaps) and forwards on any underlying in line with the 2010 Act as well as the investment policy of the Compartment, including but not limited to, currencies (including non-deliverable forwards), transferable securities, basket of transferable securities and indices.

The Compartment may also invest in structured products, such as but not limited to credit-linked notes, certificates or any other transferable securities whose returns are correlated with changes in, among others, an index selected in accordance with the article 9 of the 2008 Regulation, currencies, exchange rates, transferable securities, a basket of transferable securities, or an undertaking for collective investment, at all times in compliance with the grand-ducal regulation.

Those investments may not be used to elude the investment policy of the Compartment.

In addition, the Compartment may invest up to 10% of its net assets in UCITS and/or other UCIs.

At times where the Managers consider it as appropriate, prudent levels of cash, cash equivalents, money market funds (within the above mentioned 10% limit) and money market instruments will be maintained, which may be substantial or even represent, under exceptional circumstances, 100% of the Compartment's net assets.

The Compartment complies with Article 6 of SFDR.

The investment process integrates ESG factors based on proprietary and third-party research to evaluate investment risks and opportunities. As a result of this integration, sustainability risks may have a positive or a negative effect on the returns of the Compartment's portfolio.

The investments underlying the Compartment do not take into account the EU criteria for environmentally sustainable economic activities.

### Reference index:
MSCI Europe (EUR). Used for risk monitoring and performance measurement.

The performance of the Compartment is likely to be significantly different from that of the benchmark, because the Manager has significant discretion to deviate from its securities and weightings. As this index represents well the investment universe of the Compartment and the Compartment might have sometimes significant exposure to this market, it is deemed appropriate to measure the risk relative to this index and to compare the performance of the Compartment relative to this index.

The Compartment is also using the Euro Short Term Rate (€STR) and other similar Short-Term Rate indices, as mentioned in the table below under the "Performance Fee" paragraph, for the calculation of the performance fee considering its objective of capital preservation.

### Exposure to total return swaps, Securities Lending Agreements, Reverse Repurchase Agreements and Repurchase Agreements
At the date of the Prospectus, the Compartment will not be exposed to Repurchase Agreements and Reverse Repurchase Agreements, Securities Lending Agreements. Should the Compartment decide to enter into this type of operations in the future, the Prospectus will be updated.

The expected level of exposure to total return swaps amounts to 5% of the Compartment's net assets. The Compartment will use total return swaps on a temporary basis when market conditions warrant. Total return swaps will be used for implementing components of the investment policy that can only be achieved through derivatives such as gaining short exposures. Total return swaps will also be used to gain cost efficient long exposures.

### Risk Factors
The risks listed below are the main risks of the Compartment. Investors should be aware that other risks may also be relevant to the Compartment. **Please refer to the section "Risk Considerations" for a full description of these risks.**

- Counterparty risk;
- Equity risk;
- Financial derivative instruments risk;
- Concentration risk;
- Leverage risk;
- Sustainability risks.

Invested capital may fluctuate downwards as well as upwards, and investors may not recuperate the entire value of the capital initially invested.

### Method to measure risk:
Absolute value at risk approach

### Expected leverage:
150%.
Depending on market conditions, the leverage may be higher.

### Method for calculating the leverage:
Sum of the notionals

### Managers:
PICTET AM SA, PICTET AM Ltd

### Reference currency of the Compartment:
EUR

### Remittance of orders
*Subscription*
By 5:00 pm at the latest, 1 Banking Day before the relevant Valuation Day.
*Redemption*
By 5:00 pm at the latest, 1 Banking Day before the relevant Valuation Day.
*Switch*
The most restrictive time period of the two Compartments concerned.

### Frequency of net asset value calculation
The net asset value will be determined as at each Banking Day (the "**Valuation Day**").

However, the Board of Directors reserves the right not to calculate the net asset value or to calculate a net asset value that cannot be used for trading purposes due to closure of one or more markets in which the Fund is invested and/or which it uses to value a material part of the assets.

For further information, please refer to our website www.assetmanagement.pictet.

### Calculation Day
The calculation and publication of the net asset value as at a Valuation Day will take place on the Week Day following the relevant Valuation Day (the "**Calculation Day**").

### Payment value date for subscriptions and redemptions
Within 3 Week Days of the applicable Valuation Day.

### Shares not yet issued that may be activated at a later date:
Non activated Classes of Shares may be activated at any time by decision of the Board of Directors.

## PICTET TR – CORTO EUROPE

| Type of Share | Initial min | Fee (Max in %) * | | |
|---|---|---|---|---|
| | | MANAGEMENT | SERVICE** | DEPOSITARY BANK |
| I | EUR 1 million | 1.60% | 0.30% | 0.15% |
| P | - | 2.30% | 0.30% | 0.15% |
| Z | - | 0% | 0.30% | 0.15% |
| ZX | - | 0% | 0.30% | 0.15% |
| S | - | 0% | 0.30% | 0.15% |
| M | - | 0% | 0.30% | 0. 15% |
| J | EUR 150 million | 1.40% | 0.30% | 0.15% |

* Per year of the average net assets attributable to this type of Share.
** An additional 5 basis points fee applies for hedged Share Classes.

*This table describes the types of Share Classes available as at the Prospectus date. Additional Share Classes can be made accessible after the issue of the Prospectus. For the most current information on available Share Classes, go to* www.assetmanagement.pictet.

### Performance fee:

The Managers will receive a performance fee, accrued as at each Valuation Day, paid yearly, based on the net asset value (NAV) per Share, equivalent to 20 % of the performance of the NAV per Share (measured against the High Water Mark) over the performance of the index described in the below table for each Share Class, since the last Valuation Day at the end of a calculation period, on which a performance fee has been calculated. No performance fee will be payable for X Share Classes.

| Type of Share Classes | Index |
|---|---|
| Share Classes denominated in EUR, USD, CHF, JPY and GBP | Euro Short Term Rate (€STR) |
| Hedged Share Classes denominated in USD | Secured Overnight Financing Rate (SOFR) |
| Hedged Share Classes denominated in GBP | Sterling Overnight Interbank Average Rate (SONIA) |
| Hedged Share Classes denominated in CHF | Swiss Average Rate Overnight (SARON) |
| Hedged Share Classes denominated in JPY | Tokyo Overnight Average Rate (TONAR) |

The performance fee is calculated on the basis of the NAV per Share after deduction of all expenses, liabilities, and management fees (but not performance fee), and is adjusted to take account of all subscriptions and redemptions.

Any first calculation period shall start on the launch date of the relevant Class of Share and terminate at the last Valuation Day of the fiscal year following the current fiscal year. The subsequent calculation periods shall start on the last Valuation Day at the end of the previous calculation period and terminate as at the last Valuation Day of each following fiscal year.

The crystallisation frequency is yearly with a minimum of 12 months of crystallisation by Class of Share.

The performance reference period, which is the period at the end of which the past losses can be reset, corresponds to the whole life of the Class of Share.

The High-Water Mark (HWM) is defined as the greater of the following two figures:

- The last NAV per Share on which a performance fee has been calculated at the end of a calculation period;
- The initial NAV per Share.

The High-Water Mark will be decreased by the dividends paid to Shareholders.

The High-Water Mark is permanent and no reset of past losses for performance fees calculation purpose is foreseen.

No performance fee will be due if the NAV per Share before performance fee turns out to be below the High-Water Mark for the calculation period in question.

Performance fee provisions will be made as at each Valuation Day. If the NAV per Share decreases during the calculation period, the provisions made in respect of the performance fee will be reduced accordingly. If these provisions fall to zero, no performance fee will be payable.

If the return of the NAV per Share (measured against the High-Water Mark) is positive, but the Index return is negative, the calculated performance fee per Share will be limited to the return of the NAV per Share in order to avoid that performance fee calculation implies that the NAV per Share after performance fee be inferior to the High Water Mark.
For the Shares present into the Class of Shares at the beginning of the calculation period, performance fee will be calculated by reference to the performance against the High-Water Mark.

For the Shares subscribed during the calculation period, performance fee will be calculated by reference to the performance from the subscription date to the end of the calculation period. Furthermore, performance fee per Share will be capped to the performance fee per Share related to the Shares present into the Class of Shares at the beginning of the calculation period.

For the Shares redeemed during the calculation period, performance fee is determined based upon the “first in, first out” method where Shares bought first are redeemed first, and Shares bought last are redeemed last.

Performance fee crystallized in case of redemption is payable at the end of the calculation period even if there is no longer performance fee at that date.

Examples:

| | A | B | C | D | E | F | G | H |
|---|---|---|---|---|---|---|---|---|
| | NAV before Perf Fee | HWM per share | NAV performance | Yearly Index performance[1] | Cumulated Index perf | Perf Fee | Max Perf Fee (NAV - HWM) | NAV after Perf Fee |
| Year 1: | 112.00 | 100.00 | 12.00% | 2.00% | 2.00% | 2.00 | 12.00 | 110.00 |
| Year 2: | 120.00 | 110.00 | 9.09% | -1.00% | -1.00% | 2.22 | 10.00 | 117.78 |
| Year 3: | 117.00 | 117.78 | -0.66% | -1.00% | -1.00% | 0.00 | 0.00 | 117.00 |
| Year 4: | 118.50 | 117.78 | 0.61% | 2.00% | 0.98% | 0.00 | 0.72 | 118.50 |
| Year 5: | 118.00 | 117.78 | 0.19% | -2.00% | -1.04% | 0.29 | 0.22 | 117.78 |

(1) Index performance since the last Valuation Day at the end of a calculation period, on which a performance fee has been calculated.

With a performance fee rate equal to 20%.

Year 1: The NAV per share performance (12%) is superior to the Index performance (2%)
The excess of performance is 10% and generates a performance fee equal to 2.

Year 2: The NAV per share performance (9.09%) is superior to the Index performance (-1%)
The excess of performance is 10.1% and generates a performance fee equal to 2.22

Year 3: The NAV per share performance (-0.66%) is superior to the Index performance (-1%)

As the NAV per share performance against the HWM is negative, no performance fee is calculated

Year 4: The NAV per share performance (0.61%) is inferior to the Index performance since the last performance fees payment (1%)
No performance fee is calculated

Year 5: The NAV per share performance (0.19%) is superior to the Index performance since the last performance fees payment (-1%)
The excess of performance is 1.2% and generates a performance fee equal to 0.29. As the maximum performance fee is 0.22, the final performance fee is 0.22

## 2. PICTET TR – MANDARIN

### Investor type profile

The Compartment is an actively managed investment vehicle for investors:

- Who wish to invest primarily in shares of Asian companies, including China A-Shares (with a focus mainly in China, Taiwan and Hong Kong) which future looks promising, while taking short positions through the use of financial derivative instruments in shares that look overvalued;
- Who are willing to bear variations in market value and thus have a low aversion to risk.

### Investment policy and objectives

The Compartment follows an equity long/short investment strategy. The objective of the Compartment is to achieve long-term capital growth in absolute terms with a strong focus on capital preservation.

Traditional long positions are coupled with (synthetic) long and short positions, which will be achieved through the use of financial derivative instruments (such as total return swaps).

The Compartment will principally invest in equities, equity related securities (such as but not limited to ordinary or preferred shares), deposits and money market instruments (for cash management only). The main portion of the equities and equity related securities part will be invested in companies which are domiciled, headquartered or exercise the predominant part of their economic activity in Asia with a main focus in China, Taiwan and Hong Kong.

For that purpose, the Compartment may invest in China A-Shares through the (i) QFI status granted to the QFI Holder (subject to a maximum of 10% of its net assets) (ii) the Shanghai-Hong Kong Stock Connect programme and/or (iii) the Shenzhen-Hong Kong Stock Connect programme and/or (iv) any similar acceptable securities trading and clearing linked programmes or access instruments which may be available to the Compartment in the future. The Compartment may also use financial derivative instruments on China A-Shares.

Except the above-mentioned geographical criteria, the choice of investments will neither be limited by an economic sector nor in terms of currencies in which investments will be denominated. However, depending on financial market conditions, a particular focus can be placed in a single Asian country and/or in a single currency and/or in a single economic sector.

The Compartment may enter into Securities Lending Agreements, Repurchase Agreements and Reverse Repurchase Agreements in order to increase its capital or its revenue or to reduce its costs or risks.

For hedging and for any other purposes, within the limits set out in the chapter "Investment restrictions" of the Prospectus, the Compartment may use all types of financial derivative instruments traded on a regulated market and/or over the counter (OTC) provided they are contracted with leading financial institutions specialized in this type of transactions. In particular, the Compartment may take exposure through any financial derivative instruments such as but not limited to warrants, futures, options, swaps (including but not limited to total return swaps, contracts for difference, credit default swaps) and forwards on any underlying in line with the 2010 Act as well as the investment policy of the Compartment, including but not limited to, currencies (including non-deliverable forwards), transferable securities, basket of transferable securities and indices.

The Compartment may also invest in structured products, such as but not limited to credit-linked notes, certificates or any other transferable securities whose returns are correlated with changes in, among others, an index selected in accordance with the article 9 of the 2008 Regulation, currencies, exchange rates, transferable securities, a basket of transferable securities, or an undertaking for collective investment, at all times in compliance with the grand-ducal regulation.

Those investments may not be used to elude the investment policy of the Compartment.

In addition, the Compartment may invest up to 10% of its net assets in UCITS and/or other UCIs.

At times where the Managers considers it as appropriate, prudent levels of cash, cash equivalents, money market funds (within the above mentioned 10% limit) and money market instruments will be maintained, which may be substantial or even represent, under exceptional circumstances, 100% of the Compartment's net assets.

The Compartment complies with Article 6 of SFDR.

The investment process integrates ESG factors based on proprietary and third-party research to evaluate investment risks and opportunities. As a result of this integration, sustainability risks may have a positive or a negative effect on the returns of the Compartment's portfolio.

The investments underlying the Compartment do not take into account the EU criteria for environmentally sustainable economic activities.

Reference index:
MSCI Golden Dragon (USD). Used for risk monitoring and performance measurement.

The performance of the Compartment is likely to be significantly different from that of the benchmark, because the Manager has significant discretion to deviate from its securities and weightings. As this index represents well the investment universe of the Compartment and the Fund might have sometimes significant exposure to this market, it is deemed appropriate to measure the risk relative to this index and to compare the performance of the Compartment relative to this index.

The Compartment is also using the Secured Overnight Financing Rate (SOFR). and other similar Short-Term Rate indices, as mentioned in the table below under the “Performance Fee” paragraph, for the calculation of the performance fee considering its objective of capital preservation.

Exposure to total return swaps, Securities Lending Agreements, Reverse Repurchase Agreements and Repurchase Agreements
At the date of the Prospectus, the Compartment will not be exposed to Repurchase Agreements and Reverse Repurchase Agreements, Securities Lending Agreements. Should the Compartment decide to enter this type of operations in the future, the Prospectus will be updated.

The expected level of exposure to total return swaps amounts to 5% of the Compartment’s net assets. The Compartment will use total return swaps on a temporary basis when market conditions warrant. Total return swaps will be used for implementing components of the investment policy that can only be achieved through derivatives such as gaining short exposures. Total return swaps will also be used to gain cost efficient long exposures.

Risk Factors
The risks listed below are the main risks of the Compartment. Investors should be aware that other risks may also be relevant to the Compartment. **Please refer to the section "Risk Considerations" for a full description of these risks.**

- Counterparty risk;
- Investment restriction risk;
- Currency risk;
- Equity risk;
- Emerging market risk;
- Financial derivative instruments risk;
- Concentration risk;
- Political risk;
- Tax risk;
- Leverage risk;
- QFI risk;
- Stock Connect risk;
- Chinese currency exchange rate risk;
- Sustainability risks.

Invested capital may fluctuate downwards as well as upwards, and investors may not recuperate the entire value of the capital initially invested.

Method to measure risk:
Absolute value at risk approach.

Expected leverage:
100%
Depending on market conditions, the leverage may be higher.

Method for calculating the leverage:
Sum of the notionals

Managers:
PICTET AM SA, PICTET AM Ltd, PICTET AM HK

Reference currency of the Compartment:
USD

Remittance of orders:
*Subscription*
By 5:00 pm at the latest 1 Banking Day before the relevant Valuation Day.

*Redemption*
By 5:00 pm at the latest 1 Banking Day before the relevant Valuation Day.

*Switch*
The most restrictive time period of the two Compartments concerned.

Frequency of net asset value calculation
The NAV will be determined as at each Banking Day (the “**Valuation Day**”).

However, the Board of Directors reserves the right not to calculate the net asset value or to calculate a net asset value that cannot be used for trading purposes due to closure of one or more markets in which the Fund is invested and/or which it uses to value a material part of the assets.

For further information, please refer to our website www.assetmanagement.pictet.

### Calculation Day
The calculation and publication of the net asset value as at a Valuation Day will take place on the Week Day following the relevant Valuation Day (the "**Calculation Day**").

### Payment value date for subscriptions and redemptions
Within 3 Week Days of the applicable Valuation Day.

### Shares not yet issued that may be activated at a later date:
Non activated Classes of Shares may be activated at any time by decision of the Board of Directors

## PICTET TR – MANDARIN

| Type of Share | Initial min | Fee (Max in %) * | | |
|---|---|---|---|---|
| | | Management | Service** | Depositary Bank |
| I | USD 1 million | 1.60% | 0.30% | 0.15% |
| P | - | 2.30% | 0.30% | 0.15% |
| Z | - | 0% | 0.30% | 0.15% |
| S | - | 0% | 0.30% | 0.15% |

* Per year of the average net assets attributable to this type of Share.

** An additional 5 basis points fee applies for hedged Share Classes.

This table describes the types of Share Classes available as at the Prospectus date. Additional Share Classes can be made accessible after the issue of the Prospectus. For the most current information on available Share Classes, go to www.assetmanagement.pictet.

Performance fee:

The Manager will receive a performance fee, accrued as at each Valuation Day, paid yearly, based on the net asset value (NAV) per Share, equivalent to 20 % of the performance of the NAV per Share (measured against the High Water Mark) over the performance of the index detailed in the below table for each Share Class since the last Valuation Day at the end of a calculation period, on which a performance fee has been calculated. No performance fee will be payable for X Share Classes.

| Type of Share Classes | Index |
|---|---|
| Share Classes denominated in USD, EUR, CHF, JPY and GBP | Secured Overnight Financing Rate (SOFR) |
| Hedged Share Classes denominated in EUR | Euro Short Term Rate (€STR) |
| Hedged Share Classes denominated in GBP | Sterling Overnight Interbank Average Rate (SONIA) |
| Hedged Share Classes denominated in CHF | Swiss Average Rate Overnight (SARON) |
| Hedged Share Classes denominated in JPY | Tokyo Overnight Average Rate (TONAR) |

The performance fee is calculated on the basis of the NAV per Share after deduction of all expenses, liabilities, and management fees (but not performance fee), and is adjusted to take account of all subscriptions and redemptions.

Any first calculation period shall start on the launch date of the relevant Class of Share and terminate as at the last Valuation Day of the fiscal year following the current fiscal year. The subsequent calculation periods shall start on the last Valuation Day at the end of the previous calculation period and terminate as at the last Valuation Day of each following fiscal year.

The crystallisation frequency is yearly with a minimum of 12 months of crystallisation by Class of Share.

The Performance Reference Period, which is the period at the end of which the past losses can be reset, corresponds to the whole life of the Class of Share.

The High-Water Mark (HWM) is defined as the greater of the following two figures:

- The last NAV per Share on which a performance fee has been calculated at the end of a calculation period and;
- The initial NAV per Share.

The High-Water Mark will be decreased by the dividends paid to Shareholders.

The High-Water Mark is permanent and no reset of past losses for performance fees calculation purpose is foreseen.

No performance fee will be due if the Net Asset Value per Share before performance fee turns out to be below the High-Water Mark for the calculation period in question.

Performance fee provisions will be made at each Valuation Day. If the NAV per Share de-creases during the calculation period, the provisions made in respect of the performance fee will be reduced accordingly. If these provisions fall to zero, no performance fee will be payable.

If the return of the NAV per Share (measured against the High-Water Mark) is positive, but the Index return is negative, the calculated performance fee per Share will be limited to the return of the NAV per Share in order to avoid that performance fee calculation implies that the NAV per Share after performance fee be inferior to the High Water Mark.

For the Shares present into the Class of Shares at the beginning of the calculation period, performance fee will be calculated by reference to the performance against the High-Water Mark.

For the Shares subscribed during the calculation period, performance fee will be calculated by reference to the performance from the subscription date to the end of the calculation period. Furthermore, performance fee per Share will be capped to the performance fee per Share related to the Shares present into the Class of Shares at the beginning of the calculation period.

For the Shares redeemed during the calculation period, performance fee is determined based upon the “first in, first out” method where Shares bought first are redeemed first, and Shares bought last are redeemed last.

Performance fee crystallized in case of redemption is payable at the end of the calculation period even if there is no longer performance fee at that date.

Examples:

| | A | B | C | D | E | F | G | H |
|---|---|---|---|---|---|---|---|---|
| | NAV before Perf Fee | HWM per share | NAV performance | Yearly Index performance[1] | Cumulated Index perf | Perf Fee | Max Perf Fee (NAV - HWM) | NAV after Perf Fee |
| Year 1: | 112.00 | 100.00 | 12.00% | 2.00% | 2.00% | 2.00 | 12.00 | 110.00 |
| Year 2: | 120.00 | 110.00 | 9.09% | -1.00% | -1.00% | 2.22 | 10.00 | 117.78 |
| Year 3: | 117.00 | 117.78 | -0.66% | -1.00% | -1.00% | 0.00 | 0.00 | 117.00 |
| Year 4: | 118.50 | 117.78 | 0.61% | 2.00% | 0.98% | 0.00 | 0.72 | 118.50 |
| Year 5: | 118.00 | 117.78 | 0.19% | -2.00% | -1.04% | 0.29 | 0.22 | 117.78 |

(1) Index performance since the last Valuation Day at the end of a calculation period, on which a performance fee has been calculated.

With a performance fee rate equal to 20%.

Year 1: The NAV per share performance (12%) is superior to the Index performance (2%)
The excess of performance is 10% and generates a performance fee equal to 2.

Year 2: The NAV per share performance (9.09%) is superior to the Index performance (-1%)
The excess of performance is 10.1% and generates a performance fee equal to 2.22

Year 3: The NAV per share performance (-0.66%) is superior to the Index performance (-1%)
As the NAV per share performance against the HWM is negative, no performance fee is calculated

Year 4: The NAV per share performance (0.61%) is inferior to the Index performance since the last performance fees payment (1%)
No performance fee is calculated

Year 5: The NAV per share performance (0.19%) is superior to the Index performance since the last performance fees payment (-1%)
The excess of performance is 1.2% and generates a performance fee equal to 0.29. As the maximum performance fee is 0.22, the final performance fee is 0.22

## 3. **PICTET TR – DIVERSIFIED ALPHA**

### Investor type profile

The Compartment is an actively managed investment vehicle for investors:

- Who wish to invest primarily in market neutral strategies by investing their assets with selected investment teams who may implement long and short exposures through the use of financial derivative instruments to various financial assets globally, including China A-Shares;
- Who are willing to bear variations in market value and thus have a low to medium aversion to risk.

### Investment policy and objectives

The Compartment follows a set of long/short investment strategies which are generally market neutral. The objective of the Compartment is to achieve long-term capital growth in absolute terms with a strong focus on capital preservation.

Traditional long positions are coupled with (synthetic) long and short positions, which will be achieved through the use of financial derivative instruments (amongst others total return swaps, credit default swaps, futures and options).

The Compartment will principally invest in bonds and other related debt securities (such as corporate and/or sovereign and/or financial bonds, covered bonds and convertible bonds), equities, equity related securities (such as but not limited to ordinary or preferred shares), deposits and money market instruments (for cash management only). For that purpose, the Compartment may invest up to 25% of its assets in China A-Shares through (i) the QFI status granted to the QFI Holder (ii) the Shanghai-Hong Kong Stock Connect programme (iii) the Shenzhen-Hong Kong Stock Connect programme and/or (iv) any similar acceptable securities trading and clearing linked programmes or access instruments which may be available to the Compartment in the future. The Compartment may also use financial derivative instruments on China A-Shares.

The Compartment may be exposed without limitation to non-investment grade debt securities, including distressed and defaulted securities for up to 10 % of its net assets. Although the Compartment is not subject to any limit regarding the rating of the non-investment grade debt securities concerned (except for the 10% maximum invested in distressed and defaulted securities), the Manager intends to operate the Compartment in a way that the average rating of the debt securities held by the Compartment will be equal or higher than BB- over the long term.

The Compartment may also invest up to 10% of its assets in Sukuk al Ijarah, Sukuk al Wakalah, Sukuk al Mudaraba or any other type of Shariah-compliant fixed-income securities within the limits of the 2008 Regulation.

The choice of investments will neither be limited by geographical area (including emerging markets), an economic sector nor in terms of currencies in which investments will be denominated. However, depending on financial market conditions, a particular focus can be placed in a single country and/or in a single currency and/or in a single economic sector.

The Compartment may enter into Securities Lending Agreements, Repurchase and Reverse Repurchase Agreements in order to increase its capital or its revenue or to reduce its costs or risks.

For hedging and for any other purposes, within the limits set out in the chapter "Investment restrictions" of the Prospectus, the Compartment may use all types of financial derivative instruments traded on a regulated market and/or over the counter (OTC) provided they are contracted with leading financial institutions specialized in this type of transactions. In particular, the Compartment may take exposure through any financial derivative instruments such as but not limited to warrants, futures, options, swaps (including but not limited to total return swaps, contracts for difference, credit default swaps) and forwards on any underlying in line with the 2010 Act as well as the investment policy of the Compartment, including but not limited to, currencies (including non-deliverable forwards), interest rates, transferable securities, basket of transferable securities, indices (including but not limited to commodities, precious metals or volatility indices), undertakings for collective investment. As a consequence of this use of financial derivative instruments for the long and short positions, the Compartment may have a considerable leverage.

The Compartment may also invest in structured products, such as but not limited to notes, certificates or any other transferable securities whose returns are correlated with changes in, among others, an index selected in accordance with the article 9 of the 2008 Regulation, currencies, exchange rates, transferable securities, a basket of transferable securities, or an undertaking for collective investment, at all times in compliance with the grand-ducal regulation.

Those investments may not be used to elude the investment policy of the Compartment.

In addition, the Compartment may invest up to 10% of its net assets in UCITS and/or other UCIs including, without limitation, other Compartments of the Fund, pursuant to Article 181 of the 2010 Act as indicated in the "Investment Restrictions" section.

At times where the Managers consider it as appropriate, prudent levels of cash, cash equivalents, money market funds (within the above mentioned 10% limit) and money market instruments will be maintained, which may be substantial or even represent, under exceptional circumstances, 100% of the Compartment's net assets.

The Compartment complies with Article 6 of SFDR.

The investment process integrates ESG factors based on proprietary and third-party research to evaluate investment risks and opportunities. As a result of this integration, sustainability risks may have a positive or a negative effect on the returns of the Compartment's portfolio.

The investments underlying the Compartment do not take into account the EU criteria for environmentally sustainable economic activities.

### Reference index:
Euro Short Term Rate (€STR). Used for performance measurement.

The portfolio composition is not constrained relative to the benchmark, so the similarity of the Compartment's performance to that of the benchmark may vary.

### Exposure to total return swaps, Securities Lending Agreements, Reverse Repurchase Agreements and Repurchase Agreements
At the date of the Prospectus, the Compartment will not be exposed to Repurchase Agreements and Reverse Repurchase Agreements, Securities Lending Agreements. Should the Compartment decide to enter this type of operations in the future, the Prospectus will be updated.

The expected level of exposure to total return swaps amounts to 10% of the Compartment's net assets. The Compartment will use total return swaps as an integral part of the investment policy and use them on a continuous basis regardless of market conditions. Total return swaps will be used for implementing components of the investment policy that can only be achieved through derivatives such as gaining short exposures. Total return swaps may also be used to gain cost efficient long exposures.

### Risk Factors
The risks listed below are the main risks of the Compartment. Investors should be aware that other risks may also be relevant to the Compartment. **Please refer to the section "Risk Considerations" for a full description of these risks.**

- Counterparty risk;
- Credit risk;
- High Yield investment risk;
- Distressed and defaulted debt securities risk.
- Equity risk;
- Interest rate risk;
- Emerging market risk;
- Financial derivative instruments risk;
- Leverage risk;
- Sukuk risk;
- Concentration risk;
- Political risk;
- QFI risk;
- Stock Connect risk;
- Sustainability risks.

Invested capital may fluctuate downwards as well as upwards, and investors may not recuperate the entire value of the capital initially invested.

### Method to measure risk:
Absolute value at risk approach

### Expected leverage:
500%
Depending on market conditions, the leverage may be higher.

### Method for calculating the leverage:
Sum of the notionals

### Managers:
PICTET AM SA, PICTET AM Ltd, PICTET AMS, PICTET AM HK, PICTET AMJ, PICTET AM USA

### Reference currency of the Compartment:
EUR

### Remittance of orders
*Subscription*
By 5:00 pm at the latest, 2 Banking Days before the relevant Valuation Day.

*Redemption*
By 5:00 pm at the latest, 2 Banking Days before the relevant Valuation Day.

*Switch*
The most restrictive time period of the two Compartments concerned.

Frequency of net asset value calculation
The net asset value will be determined as at each Thursday (if it is not a Banking Day, the next following Banking Day) (the "**Valuation Day**").

Furthermore, an additional net asset value calculation will take place as at each Banking Day; however, such additional net asset value, although available for publication, will be produced for valuation purposes only, hence no subscription or redemption orders will be accepted on the basis thereof.

In addition, a non-tradable net asset value may also be calculated as at each Week Day which is not a Banking Day; these non-tradable net asset values may be published but may only be used for producing performance measurement calculations and statistics (in particular so that comparisons can be made with the benchmark indices) or for calculating fees, and may not in any circumstances be used as a basis for subscription or redemption orders.

For further information, please refer to our website www.assetmanagement.pictet.

Calculation Day
The calculation and publication of the net asset value as at a Valuation Day will take place on the Week Day following the relevant Valuation Day (the "**Calculation Day**").

Payment value date for subscriptions and redemptions
Within 3 Week Days of the applicable Valuation Day.

Shares not yet issued that may be activated at a later date:
Non activated Classes of Shares may be activated at any time by decision of the Board of Directors.

## PICTET TR – DIVERSIFIED ALPHA

| Type of Share | Initial min | Fee (Max in %)* | | |
|---|---|---|---|---|
| | | Management | Service** | Depositary Bank |
| I | EUR 1 million | 1.60% | 0.30% | 0.15% |
| P | - | 2.30% | 0.30% | 0.15% |
| Z | - | 0% | 0.30% | 0.15% |
| S | - | 0% | 0.30% | 0.15% |
| J | EUR 500 million | 1.40% | 0.30% | 0.15% |

* Per year of the average net assets attributable to this type of Share.
** An additional 5 basis points fee applies for hedged Share Classes.

*This table describes the types of Share Classes available as at the Prospectus date. Additional Share Classes can be made accessible after the issue of the Prospectus. For the most current information on available Share Classes, go to* www.assetmanagement.pictet.

Performance fee:
The Manager will receive a performance fee, accrued as at each Valuation Day, paid yearly, based on the net asset value (NAV) per Share, equivalent to 20 % of the performance of the NAV per Share, (measured against the High Water Mark) over the performance of the index described in the below table for each Share Class, since the last Valuation Day at the end of a calculation period, on which a performance fee has been calculated. No performance fee will be payable for X Share Classes.

| Type of Share Classes | Index |
|---|---|
| Share Classes denominated in EUR, USD, CHF, JPY and GBP | Euro Short Term Rate (€STR) |
| Hedged Share Classes denominated in USD | Secured Overnight Financing Rate (SOFR) |
| Hedged Share Classes denominated in GBP | Sterling Overnight Interbank Average Rate (SONIA) |
| Hedged Share Classes denominated in CHF | Swiss Average Rate Overnight (SARON) |
| Hedged Share Classes denominated in JPY | Tokyo Overnight Average Rate (TONAR) |

The performance fee is calculated on the basis of the net asset value per Share after deduction of all expenses, liabilities, and management fees (but not performance fee), and is adjusted to take account of all subscriptions and redemptions.

Any first calculation period shall start on the launch date of the relevant Class of Share and terminate as at the last Valuation Day of the fiscal year following the current fiscal year. The subsequent calculation periods shall start on the last Valuation Day at the end of the previous calculation period and terminate as at the last Valuation Day of each following fiscal year.

The crystallisation frequency is yearly with a minimum of 12 months of crystallisation by Class of Share.

The performance reference period, which is the period at the end of which the past losses can be reset, corresponds to the whole life of the Class of Share.

The High-Water Mark (HWM) is defined as the greater of the following two figures:

- The last NAV per Share on which a performance fee has been calculated at the end of a calculation period and;
- The initial NAV per Share.

The High-Water Mark will be decreased by the dividends paid to Shareholders.

The High-Water Mark is permanent and no reset of past losses for performance fees calculation purpose is foreseen.

No performance fee will be due if the NAV per Share before performance fee turns out to be below the High-Water Mark for the calculation period in question.

Performance fee provisions will be made as at each Valuation Day. If the NAV per Share decreases during the calculation period, the provisions made in respect of the performance fee will be reduced accordingly. If these provisions fall to zero, no performance fee will be payable.

If the return of the NAV per Share (measured against the High-Water Mark) is positive, but the Index return is negative, the calculated performance fee per Share will be limited to the return of the NAV per Share in order to avoid that performance fee calculation implies that the NAV per Share after performance fee be inferior to the High Water Mark.

For the Shares present into the Class of Shares at the beginning of the calculation period, performance fee will be calculated by reference to the performance against the High-Water Mark.

For the Shares subscribed during the calculation period, performance fee will be calculated by reference to the performance from the subscription date to the end of the calculation period. Furthermore, performance fee per Share will be capped to the performance fee per Share related to the Shares present into the Class of Shares at the beginning of the calculation period.

For the Shares redeemed during the calculation period, performance fee is determined based upon the "first in, first out" method where Shares bought first are redeemed first, and Shares bought last are redeemed last.

Performance fee crystallized in case of redemption is payable at the end of the calculation period even if there is no longer performance fee at that date.

Examples:

| | A | B | C | D | E | F | G | H |
|---|---|---|---|---|---|---|---|---|
| | NAV before Perf Fee | HWM per share | NAV performance | Yearly Index performance[1] | Cumulated Index perf | Perf Fee | Max Perf Fee (NAV - HWM) | NAV after Perf Fee |
| Year 1: | 112.00 | 100.00 | 12.00% | 2.00% | 2.00% | 2.00 | 12.00 | 110.00 |
| Year 2: | 120.00 | 110.00 | 9.09% | -1.00% | -1.00% | 2.22 | 10.00 | 117.78 |
| Year 3: | 117.00 | 117.78 | -0.66% | -1.00% | -1.00% | 0.00 | 0.00 | 117.00 |
| Year 4: | 118.50 | 117.78 | 0.61% | 2.00% | 0.98% | 0.00 | 0.72 | 118.50 |
| Year 5: | 118.00 | 117.78 | 0.19% | -2.00% | -1.04% | 0.29 | 0.22 | 117.78 |

(1) Index performance since the last Valuation Day at the end of a calculation period, on which a performance fee has been calculated.

With a performance fee rate equal to 20%.

Year 1: The NAV per share performance (12%) is superior to the Index performance (2%)
The excess of performance is 10% and generates a performance fee equal to 2.

Year 2: The NAV per share performance (9.09%) is superior to the Index performance (-1%)
The excess of performance is 10.1% and generates a performance fee equal to 2.22

Year 3: The NAV per share performance (-0.66%) is superior to the Index performance (-1%)
As the NAV per share performance against the HWM is negative, no performance fee is calculated

Year 4: The NAV per share performance (0.61%) is inferior to the Index performance since the last performance fees payment (1%)
No performance fee is calculated

Year 5: The NAV per share performance (0.19%) is superior to the Index performance since the last performance fees payment (-1%)
The excess of performance is 1.2% and generates a performance fee equal to 0.29. As the maximum performance fee is 0.22, the final performance fee is 0.22

## 4. PICTET TR – AGORA

### Investor type profile

The Compartment is an actively managed investment vehicle for investors:

- Who wish to invest primarily in shares of European companies whose future looks promising while taking short positions through the use of financial derivative instruments in shares that look overvalued;
- Who are willing to bear variations in market value and thus have a low to medium aversion to risk.

### Investment policy and objectives

The Compartment follows a set of long/short investment strategies which are generally market neutral. The objective of the Compartment is to achieve long-term capital growth in absolute terms with a strong focus on capital preservation.

Traditional long positions are coupled with (synthetic) long and short positions, which will be achieved through the use of financial derivative instruments (amongst others total return swaps, futures and options).

The Compartment will principally invest in equities, equity related securities (such as but not limited to ordinary or preferred shares), deposits and money market instruments (for cash management only). The main portion of the equities and equity related securities part will be invested in companies which are domiciled, headquartered or exercise the predominant part of their economic activity in Europe.

Except the above-mentioned geographical criteria, the choice of investments will neither be limited by an economic sector nor in terms of currencies in which investments will be denominated. However, depending on financial market conditions, a particular focus can be placed in a single European country and/or in a single currency and/or in a single economic sector.

The Compartment may enter into Securities Lending Agreements, Repurchase Agreements and Reverse Repurchase Agreements in order to increase its capital or its revenue or to reduce its costs or risks.

For hedging and for any other purposes, within the limits set out in the chapter "Investment restrictions" of the Prospectus, the Compartment may use all types of financial derivative instruments traded on a regulated market and/or over the counter (OTC) provided they are contracted with leading financial institutions specialized in this type of transactions. In particular, the Compartment may take exposure through any financial derivative instruments such as but not limited to warrants, futures, options, swaps (including but not limited to total return swaps, contracts for difference, credit default swaps) and forwards on any underlying in line with the 2010 Act as well as the investment policy of the Compartment, including but not limited to, currencies (including non-deliverable forwards), transferable securities, basket of transferable securities and indices.

As a consequence of this use of financial derivative instruments for the long and short positions, the Compartment may have a considerable leverage.

The Compartment may also invest in structured products, such as but not limited to credit-linked notes, certificates or any other transferable securities whose returns are correlated with changes in, among others, an index selected in accordance with the article 9 of the 2008 Regulation, currencies, exchange rates, transferable securities, a basket of transferable securities, or an undertaking for collective investment, at all times in compliance with the grand-ducal regulation.

Those investments may not be used to elude the investment policy of the Compartment.

In addition, the Compartment may invest up to 10% of its net assets in UCITS and/or other UCIs.

At times where the Managers consider it as appropriate, prudent levels of cash, cash equivalents, money market funds (within the above mentioned 10% limit) and money market instruments will be maintained, which may be substantial or even represent, under exceptional circumstances, 100% of the Compartment's net assets.

The Compartment complies with Article 6 of SFDR.

The investment process integrates ESG factors based on proprietary and third-party research to evaluate investment risks and opportunities. As a result of this integration, sustainability risks may have a positive or a negative effect on the returns of the Compartment's portfolio.

The investments underlying the Compartment do not take into account the EU criteria for environmentally sustainable economic activities.

### Reference index:

Euro Short Term Rate (€STR). Used for performance measurement.

The portfolio composition is not constrained relative to the benchmark, so the similarity of the Compartment's performance to that of the benchmark may vary.

### Exposure to total return swaps, Securities Lending Agreements, Reverse Repurchase Agreements and Repurchase Agreements

The expected level of exposure to total return swaps amounts to 5% of the Compartment's net assets. The Compartment will use total return swaps on a temporary basis when market conditions warrant. Total return swaps will be used for implementing components of the investment policy that can only be achieved through derivatives such as gaining short exposures. Total return swaps will also be used to gain cost efficient long exposures.

At the date of the Prospectus, the Compartment will not be exposed to Repurchase Agreements and Reverse Repurchase Agreements, Securities Lending Agreements. Should the Compartment decide to enter this type of operations in the future, the Prospectus will be updated.

### Risk Factors

The risks listed below are the main risks of the Compartment. Investors should be aware that other risks may also be relevant to the Compartment. **Please refer to the section "Risk Considerations" for a full description of these risks.**

- Counterparty risk;
- Equity risk;
- Financial derivative instruments risk;
- Concentration risk;
- Leverage risk;
- Sustainability risks.

Invested capital may fluctuate downwards as well as upwards, and investors may not recuperate the entire value of the capital initially invested.

### Method to measure risk:

Absolute value at risk approach.

### Expected leverage:

250%

Depending on market conditions, the leverage may be higher.

### Method for calculating the leverage:

Sum of the notionals

### Managers:

PICTET AM SA, PICTET AM Ltd

### Reference currency of the Compartment:

EUR

### Remittance of orders

*Subscription*

By 5:00 pm at the latest, 2 Banking Days before the relevant Valuation Day.

*Redemption*

By 5:00 pm at the latest, 2 Banking Days before the relevant Valuation Day.

*Switch*

The most restrictive time period of the two Compartments concerned.

### Frequency of net asset value calculation

The net asset value will be determined as at each Thursday (if it is not a Banking Day, the next following Banking Day) (the "Valuation Day").

Furthermore, an additional net asset value calculation will take place as at each Banking Day; however, such additional net asset value, although available for publication, will be produced for valuation purposes only, hence no subscription or redemption orders will be accepted on the basis thereof.

In addition, a non-tradable net asset value may also be calculated as at each Week Day which is not a Banking Day; these non-tradable net asset values may be published but may only be used for producing performance measurement calculations and statistics (in particular so that comparisons can be made with the benchmark indices) or for calculating fees, and may not in any circumstances be used as a basis for subscription or redemption orders.

For further information, please refer to our website www.assetmanagement.pictet.

### Calculation Day

The calculation and publication of the net asset value as at a Valuation Day will take place on the Week Day following the relevant Valuation Day (the "**Calculation Day**").

### Payment value date for subscriptions and redemptions:

Within 3 Week Days of the applicable Valuation Day.

### Shares not yet issued that may be activated at a later date:

Non activated Classes of Shares may be activated at any time by decision of the Board of Directors.

## PICTET TR – AGORA

| Type of Share | Initial min | Fee (Max in %) * | | |
|---|---|---|---|---|
| | | Management | Service** | Depositary Bank |
| I | EUR 1 million | 1.60% | 0.30% | 0.15% |
| P | - | 2.30% | 0.30% | 0.15% |
| Z | - | 0% | 0.30% | 0.15% |
| S | | 0% | 0.30% | 0.15% |

* Per year of the average net assets attributable to this type of Share.
** An additional 5 basis points fee applies for hedged Share Classes.

*This table describes the types of Share Classes available as at the Prospectus date. Additional Share Classes can be made accessible after the issue of the Prospectus. For the most current information on available Share Classes, go to* www.assetmanagement.pictet.

### Performance fee:

The Managers will receive a performance fee, accrued as at each Valuation Day, paid yearly, based on the net asset value (NAV) per Share, equivalent to 20 % of the performance of the NAV per Share, (measured against the High Water Mark) over the performance of the index described in the below table for each Share Class, since the last Valuation Day at the end of a calculation period, on which a performance fee has been calculated. No performance fee will be payable for X Share Classes.

| Type of Share Classes | Index |
|---|---|
| Share Classes denominated in EUR, USD, CHF, JPY and GBP | Euro Short Term Rate (€STR) |
| Hedged Share Classes denominated in USD | Secured Overnight Financing Rate (SOFR) |
| Hedged Share Classes denominated in GBP | Sterling Overnight Interbank Average Rate (SONIA) |
| Hedged Share Classes denominated in CHF | Swiss Average Rate Overnight (SARON) |
| Hedged Share Classes denominated in JPY | Tokyo Overnight Average Rate (TONAR) |

The performance fee is calculated on the basis of the NAV per Share after deduction of all expenses, liabilities, and management fees (but not performance fee), and is adjusted to take account of all subscriptions and redemptions.

Any first calculation period shall start on the launch date of the relevant Class of Share and terminate as at the last Valuation Day of the fiscal year following the current fiscal year. The subsequent calculation periods shall start on the last Valuation Day at the end of the previous calculation period and terminate as at the last Valuation Day of each following fiscal year.

The crystallisation frequency is yearly with a minimum of 12 months of crystallisation by Class of Share.

The performance reference period, which is the period at the end of which the past losses can be reset, corresponds to the whole life of the Class of Share.

The High-Water Mark (HWM) is defined as the greater of the following two figures:

- The last NAV per Share on which a performance fee has been calculated at the end of a calculation period and;
- The initial NAV per Share.

The High-Water Mark will be decreased by the dividends paid to Shareholders.

The High-Water Mark is permanent and no reset of past losses for performance fees calculation purpose is foreseen.

No performance fee will be due if the NAV per Share before performance fee turns out to be below the High-Water Mark for the calculation period in question.

Performance fee provisions will be made as at each Valuation Day. If the NAV per Share decreases during the calculation period, the provisions made in respect of the performance fee will be reduced accordingly. If these provisions fall to zero, no performance fee will be payable.

If the return of the NAV per Share (measured against the High Water Mark) is positive, but the Index return is negative, the calculated performance fee per Share will be limited to the return of the NAV per Share in order to avoid that performance fee calculation implies that the NAV per Share after performance fee be inferior to the High Water Mark.

For the Shares present into the Class of Shares at the beginning of the calculation period, performance fee will be calculated by reference to the performance against the High-Water Mark.

For the Shares subscribed during the calculation period, performance fee will be calculated by reference to the performance from the subscription date to the end of the calculation period. Furthermore, performance fee per Share will be capped to the performance fee per Share related to the Shares present into the Class of Shares at the beginning of the calculation period.

For the Shares redeemed during the calculation period, performance fee is determined based upon the "first in, first out" method where Shares bought first are redeemed first, and Shares bought last are redeemed last.

Performance fee crystallized in case of redemption is payable at the end of the calculation period even if there is no longer performance fee at that date.

Examples:

| | A | B | C | D | E | F | G | H |
|---|---|---|---|---|---|---|---|---|
| | NAV before Perf Fee | HWM per share | NAV performance | Yearly Index performance[(1)] | Cumulated Index perf | Perf Fee | Max Perf Fee (NAV - HWM) | NAV after Perf Fee |
| Year 1: | 112.00 | 100.00 | 12.00% | 2.00% | 2.00% | 2.00 | 12.00 | 110.00 |
| Year 2: | 120.00 | 110.00 | 9.09% | -1.00% | -1.00% | 2.22 | 10.00 | 117.78 |
| Year 3: | 117.00 | 117.78 | -0.66% | -1.00% | -1.00% | 0.00 | 0.00 | 117.00 |
| Year 4: | 118.50 | 117.78 | 0.61% | 2.00% | 0.98% | 0.00 | 0.72 | 118.50 |
| Year 5: | 118.00 | 117.78 | 0.19% | -2.00% | -1.04% | 0.29 | 0.22 | 117.78 |

(1) Index performance since the last Valuation Day at the end of a calculation period, on which a performance fee has been calculated.

With a performance fee rate equal to 20%.

Year 1: The NAV per share performance (12%) is superior to the Index performance (2%)
The excess of performance is 10% and generates a performance fee equal to 2.

Year 2: The NAV per share performance (9.09%) is superior to the Index performance (-1%)
The excess of performance is 10.1% and generates a performance fee equal to 2.22

Year 3: The NAV per share performance (-0.66%) is superior to the Index performance (-1%)
As the NAV per share performance against the HWM is negative, no performance fee is calculated

Year 4: The NAV per share performance (0.61%) is inferior to the Index performance since the last performance fees payment (1%)
No performance fee is calculated

Year 5: The NAV per share performance (0.19%) is superior to the Index performance since the last performance fees payment (-1%)
The excess of performance is 1.2% and generates a performance fee equal to 0.29. As the maximum performance fee is 0.22, the final performance fee is 0.22

## 5. PICTET TR – ATLAS

### Investor type profile

The Compartment is an actively managed investment vehicle for investors:

- Who wish to invest globally in shares of companies whose future looks promising while taking short positions through the use of financial derivative instruments in shares that look overvalued;
- Who are willing to bear variations in market value and thus have a low aversion to risk.

### Investment policy and objectives

The Compartment follows a set of long/short investment strategies. The objective of the Compartment is to achieve long-term capital growth in absolute terms with a strong focus on capital preservation.

Traditional long positions are coupled with (synthetic) long and short positions, which will be achieved through the use of financial derivative instruments whose underliers are in line with the 2008 Regulation and the 2010 Act.

The Compartment will mainly invest in equities, equity related securities (such as but not limited to ordinary or preferred shares), deposits and money market instruments.

The Compartment may invest in any country (including emerging countries), in any economic sector and in any currency. However, depending on market conditions, the investments or exposure may be focused on one country or on a limited number of countries and/or one economic activity sector and/or one currency and/or in a single asset class.

The Compartment will however respect the following limits:

- The Compartment may invest in depositary receipts (such as ADR, GDR, EDR) without limitation and in closed-ended real estate investment trusts (REITs) up to 20% of its net assets.
- The Compartment may invest up to 10% of its net assets, in China A-Shares, through (i) the QFI status granted to the QFI Holder and (ii) through the Shanghai-Hong Kong Stock Connect programme (iii) the Shenzhen-Hong Kong Stock Connect programme and/or (iv) any similar acceptable securities trading and clearing linked programmes or access instruments which may be available to the Compartment in the future.

  The Compartment may also use financial derivative instruments on China A-Shares.
- The Compartment may invest in non-investment grade debt securities (including distressed and defaulted securities) up to 10% of its net assets.
- Investments in convertible bonds may not exceed 10% of the Compartment's net assets.
- Investments in Rule 144A Securities may not exceed 10% of the Compartment's net assets.

The Compartment may enter into Securities Lending Agreements, Repurchase Agreements and Reverse Repurchase Agreements in order to increase its capital or its revenue or to reduce its costs or risks.

For hedging and for investment purposes, within the limits set out in the chapter "Investment restrictions" of the Prospectus, the Compartment may use all types of financial derivative instruments traded on a regulated market and/or over the counter (OTC) provided they are contracted with leading financial institutions specialized in this type of transactions. In particular, the Compartment may take exposure through any financial derivative instruments such as but not limited to warrants, futures, options, swaps (including but not limited to total return swaps, contracts for difference, credit default swaps) and forwards on any underlying in line with the 2010 Act as well as the investment policy of the Compartment, including but not limited to, currencies (including non-deliverable forwards), interest rates, transferable securities, basket of transferable securities, indices (including but not limited to commodities, precious metals or volatility indices), undertakings for collective investment.

The Compartment may invest in structured products, with or without embedded derivatives, such as, in particular, notes, certificates or any other transferable security whose returns are linked to, among others, an index (including indices on volatility), currencies, interest rates, transferable securities, a basket of transferable securities, or an undertaking for collective investment in accordance with the 2008 Regulation.

In compliance with the 2008 Regulation, the Compartment may also invest in structured products without embedded derivatives, correlated with changes in commodities (including precious metals) with cash settlement.

The underlyings of the structured products with embedded derivatives in which the Compartment will invest will be in line with the 2008 Regulation and the 2010 Act.

Those investments may not be used to elude the investment policy of the Compartment.

The Compartment will have the following limits in terms of exposure through indirect investments: Commodities: 10%, precious metal: 10%, real estate: 20%.

In addition, the Compartment may invest up to 10% of its net assets in UCITS and/or other UCIs.

At times where the Managers consider it as appropriate, prudent levels of cash, cash equivalents, money market funds (within the above mentioned 10% limit) and money market instruments will be maintained, which may be substantial or even represent, under exceptional circumstances, 100% of the Compartment's net assets.

The Compartment complies with Article 6 of SFDR.

The investment process integrates ESG factors based on proprietary and third-party research to evaluate investment risks and opportunities. As a result of this integration, sustainability risks may have a positive or a negative effect on the returns of the Compartment's portfolio.

The investments underlying the Compartment do not take into account the EU criteria for environmentally sustainable economic activities.

### Reference index:
MSCI AC World (EUR). Used for risk monitoring and performance measurement.

The performance of the Compartment is likely to be significantly different from that of the benchmark, because the Manager has significant discretion to deviate from its securities and weightings. As this index represents well the investment universe of the Compartment and the Compartment might have sometimes significant exposure to this market, it is deemed appropriate to measure the risk relative to this index and to compare the performance of the Compartment relative to this index.

The Compartment is also using the Euro Short Term Rate (€STR) and other similar Short-Term Rate indices, as mentioned in the table below under the "Performance Fee" paragraph, for the calculation of the performance fee considering its objective of capital preservation.

### Exposure to total return swaps, Securities Lending Agreements, Reverse Repurchase Agreements and Repurchase Agreements
At the date of the Prospectus, the Compartment will not be exposed to Repurchase Agreements and Reverse Repurchase Agreements, Securities Lending Agreements. Should the Compartment decide to enter this type of operations in the future, the Prospectus will be updated.

The expected level of exposure to total return swaps amounts to 5% of the Compartment's net assets. The Compartment will use total return swaps on a temporary basis when market conditions warrant. Total return swaps will be used for implementing components of the investment policy that can only be achieved through derivatives such as gaining short exposures. Total return swaps will also be used to gain cost efficient long exposures.

### Risk Factors
The risks listed below are the main risks of the Compartment. Investors should be aware that other risks may also be relevant to the Compartment. **Please refer to the section "Risk Considerations" for a full description of these risks.**

- Counterparty risk;
- Investment restriction risk;
- Restricted securities risk:
- Currency risk;
- Equity risk;
- Emerging market risk;
- Financial derivative instruments risk;
- Concentration risk;
- Political risk;
- Tax risk;
- Leverage risk;
- QFI risk;
- Stock Connect risk;
- Chinese currency exchange rate risk;
- Sustainability risks.

Invested capital may fluctuate downwards as well as upwards, and investors may not recuperate the entire value of the capital initially invested.

### Method to measure risk:
Absolute value at risk approach.

Expected leverage:
200%
Depending on market conditions, the leverage may be higher.

Method for calculating the leverage:
Sum of the notionals

Managers:
PICTET AM SA, PICTET AM Ltd

Reference currency of the Compartment:
EUR

Remittance of orders

*Subscription*
By 2.00 pm at the latest, on the relevant Valuation Day.

*Redemption*
By 2.00 pm at the latest, on the relevant Valuation Day.

*Switch*
The most restrictive time period of the two Compartments concerned.

Frequency of net asset value calculation
The net asset value will be determined as at each Banking Day (the "**Valuation Day**").

However, the Board of Directors reserves the right not to calculate the net asset value or to calculate a net asset value that cannot be used for trading purposes due to closure of one or more markets in which the Fund is invested and/or which it uses to value a material part of the assets.

For further information, please refer to our website www.assetmanagement.pictet.

Calculation Day
The calculation and publication of the net asset value as at a Valuation Day will take place on the Week Day following the relevant Valuation Day (the "**Calculation Day**").

Payment value date for subscriptions and redemptions:
Within 3 Week Days of the applicable Valuation Day

Shares not yet issued that may be activated at a later date:
Non activated Classes of Shares may be activated at any time by decision of the Board of Directors.

PICTET TR – ATLAS

| Type of Share | Initial minimum | Fee (Max in %) * | | |
|---|---|---|---|---|
| | | Management | Service** | Depositary Bank |
| I | EUR 1 million | 1.60% | 0.30% | 0.15% |
| J | EUR 500 million | 1.40% | 0.30% | 0.15% |
| P | - | 2.30% | 0.30% | 0.15% |
| R | - | 2.70% | 0.30% | 0.15% |
| Z | - | 0% | 0.30% | 0.15% |
| ZX | - | 0% | 0.30% | 0.15% |
| S | | 0% | 0.30% | 0.15% |

* Per year of the average net assets attributable to this type of Share.
** An additional 5 basis points fee applies for hedged Share Classes.

*This table describes the types of Share Classes available as at the Prospectus date. Additional Share Classes can be made accessible after the issue of the Prospectus. For the most current information on available Share Classes, go to* www.assetmanagement.pictet.

Performance fee:
The Managers will receive a performance fee, accrued on each Valuation Day, paid yearly, based on the net asset value (NAV) per Share, equivalent to 20 % (for J, Z, I, P, S, and R Share Classes) respectively 15% (for E Share Classes) of the performance of the net asset value per Share (measured against the High Water Mark) over the

performance of the index described in the below table for each Share Class, since the last Valuation Day at the end of a calculation period, on which a performance fee has been calculated. No performance fee will be payable for X Share Classes.

| Type of Share Classes | Index |
|---|---|
| Share Classes denominated in USD, EUR, GBP, CHF and JPY | Euro Short Term Rate (€STR) |
| Hedged Share Classes denominated in GBP | Sterling Overnight Interbank Average Rate (SONIA) |
| Hedged Share Classes denominated in CHF | Swiss Average Rate Overnight (SARON) |
| Hedged Share Classes denominated in JPY | Tokyo Overnight Average Rate (TONAR) |
| Hedged Share Classes denominated in USD | Secured Overnight Financing Rate (SOFR) |

The performance fee is calculated on the basis of the NAV per Share after deduction of all expenses, liabilities, and management fees (but not performance fee), and is adjusted to take account of all subscriptions and redemptions.

Any first calculation period shall start on the launch date of the relevant Class of Share and terminate as at the last Valuation Day of the fiscal year following the current fiscal year. The subsequent calculation periods shall start on the last Valuation Day at the end of the previous calculation period and terminate as at the last Valuation Day of each following fiscal year.

The crystallisation frequency is yearly with a minimum of 12 months of crystallisation by Class of Share.

The performance reference period, which is the period at the end of which the past losses can be reset, corresponds to the whole life of the Class of Share.

The High-Water Mark (HWM) is defined as the greater of the following two figures:

- The last NAV per Share on which a performance fee has been calculated at the end of a calculation period and;
- The initial NAV per Share.

The High-Water Mark will be decreased by the dividends paid to Shareholders.

The High-Water Mark is permanent and no reset of past losses for performance fees calculation purpose is foreseen.

No performance fee will be due if the NAV per Share before performance fee turns out to be below the High-Water Mark for the calculation period in question.

Performance fee provisions will be made on each Valuation Day. If the NAV per Share decreases during the calculation period, the provisions made in respect of the performance fee will be reduced accordingly. If these provisions fall to zero, no performance fee will be payable.

If the return of the NAV per Share (measured against the High-Water Mark) is positive, but the Index return is negative, the calculated performance fee per Share will be limited to the return of the NAV per Share in order to avoid that performance fee calculation implies that the NAV per Share after performance fee be inferior to the High Water Mark.

For the Shares present into the Class of Shares at the beginning of the calculation period, performance fee will be calculated by reference to the performance against the High-Water Mark.

For the Shares subscribed during the calculation period, performance fee will be calculated by reference to the performance from the subscription date to the end of the calculation period. Furthermore, performance fee per Share will be capped to the performance fee per Share related to the Shares present into the Class of Shares at the beginning of the calculation period.

For the Shares redeemed during the calculation period, performance fee is determined based upon the “first in, first out” method where Shares bought first are redeemed first, and Shares bought last are redeemed last.

Performance fee crystallized in case of redemption is payable at the end of the calculation period even if there is no longer performance fee at that date.

Examples:

| | A | B | C | D | E | F | G | H |
|---|---|---|---|---|---|---|---|---|
| | NAV before Perf Fee | HWM per share | NAV performance | Yearly Index performance[1] | Cumulated Index perf | Perf Fee | Max Perf Fee (NAV - HWM) | NAV after Perf Fee |
| Year 1: | 112.00 | 100.00 | 12.00% | 2.00% | 2.00% | 2.00 | 12.00 | 110.00 |
| Year 2: | 120.00 | 110.00 | 9.09% | -1.00% | -1.00% | 2.22 | 10.00 | 117.78 |
| Year 3: | 117.00 | 117.78 | -0.66% | -1.00% | -1.00% | 0.00 | 0.00 | 117.00 |
| Year 4: | 118.50 | 117.78 | 0.61% | 2.00% | 0.98% | 0.00 | 0.72 | 118.50 |
| Year 5: | 118.00 | 117.78 | 0.19% | -2.00% | -1.04% | 0.29 | 0.22 | 117.78 |

(1) Index performance since the last Valuation Day at the end of a calculation period, on which a performance fee has been calculated.

With a performance fee rate equal to 20%.

Year 1: The NAV per share performance (12%) is superior to the Index performance (2%)
The excess of performance is 10% and generates a performance fee equal to 2.

Year 2: The NAV per share performance (9.09%) is superior to the Index performance (-1%)
The excess of performance is 10.1% and generates a performance fee equal to 2.22

Year 3: The NAV per share performance (-0.66%) is superior to the Index performance (-1%)
As the NAV per share performance against the HWM is negative, no performance fee is calculated

Year 4: The NAV per share performance (0.61%) is inferior to the Index performance since the last performance fees payment (1%)
No performance fee is calculated

Year 5: The NAV per share performance (0.19%) is superior to the Index performance since the last performance fees payment (-1%)
The excess of performance is 1.2% and generates a performance fee equal to 0.29. As the maximum performance fee is 0.22, the final performance fee is 0.22

## 6. PICTET TR – SIRIUS

### Investor type profile

The Compartment is an actively managed investment vehicle for investors:

- Who wish to invest mainly in emerging market debt strategies and benefit from long and short exposures through the use of financial derivative instruments.
- Who are willing to bear variations in market value and thus have a low aversion to risk.

### Investment policy and objectives

The Compartment follows a set of long/short investment strategies. The objective of the Compartment is to achieve long-term capital growth in absolute terms with a strong focus on capital preservation.

Traditional long positions are coupled with (synthetic) long and short positions, which will be achieved through the use of financial derivative instruments whose underliers are in line with the 2008 Regulation and the 2010 Act.

The Compartment will obtain exposure mainly to emerging markets.

In order to achieve its investment objective, the Compartment will mainly invest directly in or have exposure to debt securities, currencies, money market instruments, cash/deposits, and/or invest indirectly via the use of financial derivative instruments.

The Compartment may also invest in securities traded on the Moscow Exchange MICEX-RTS.

For hedging, and for investment purposes, within the limits set out in the chapter "Investment restrictions" of the Prospectus, the Compartment may use all types of financial derivative instruments traded on a regulated market and/or over the counter (OTC) provided they are contracted with leading financial institutions specialized in this type of transactions. In particular, the Compartment may take exposure through any financial derivative instruments such as but not limited to warrants, futures, options, swaps (including but not limited to total return swaps, interest rate swaps, contracts for difference, credit default swaps) and forwards on any underlying in line with the 2010 Act as well as the investment policy of the Compartment, including but not limited to, currencies (including non-deliverable forwards), interest rates, transferable securities, basket of transferable securities, indices and/or undertakings for collective investment.

As a consequence of this use of financial derivative instruments for the long and short positions, the Compartment may have a considerable leverage.

The Compartment will however respect the following limits:

- The Compartment may invest in bonds and other debt securities denominated in RMB through (i) the QFI status granted to the QFI Holder (subject to a maximum of 35% of its net assets) (and/or (ii) Bond Connect.
- Investments in China may be performed, inter alia, on the China Interbank Bond Market ("CIBM") directly or through the QFI status granted to the QFI Holder or through Bond Connect. Investments in China may also be performed on any acceptable securities trading programmes which may be available to the Compartment in the future as approved by the relevant regulators from time to time.
- The Compartment may also invest up to 20% of its net assets (both investments combined) in:
  - asset-backed securities (ABS) and in mortgage-backed securities (MBS) in compliance with Article 2 of the 2008 Regulation.
  - Sukuk al Ijarah, Sukuk al Wakalah, Sukuk al Mudaraba or any other type of Shariah-compliant fixed-income securities within the limits of 2008 Regulation.
- The Compartment will not invest more than 15% of its net assets in equities or equity-related securities (such as ADR, GDR, EDR in compliance with Article 2 of the 2008 Regulation), derivative instruments, structured products and/ or UCITS and/or other UCIs whose underlying assets are, or offer exposure to, equities or similar securities.
- The Compartment may be exposed without limitation to non-investment grade debt securities (including to defaulted and distressed securities for up to 10% of its net assets). Although the Compartment is not subject to any limit regarding the rating of the non-investment grade debt securities concerned (except for the 10% maximum invested in distressed and defaulted securities), the Manager intends to operate the Compartment in a way that non-sovereign high yield debt securities should not exceed 50% of the Compartment's net assets.

- Investments in convertible bonds (other than contingent convertible bonds) may not exceed 20% of the Compartment's net assets.
- The Compartment may also invest up to 20% of its net assets in contingent convertible bonds ("CoCo Bonds").
- Investments in Rule 144A Securities may not exceed 30% of the Compartment's net assets.

The Compartment may enter into Securities Lending Agreements, Repurchase Agreements and Reverse Repurchase Agreements in order to increase its capital or its revenue or to reduce its costs or risks.

The Compartment may invest in structured products, with or without embedded derivatives, such as, in particular, credit linked notes, loan participation notes, certificates or any other transferable security whose returns are linked to, among others, an index (including indices on volatility), currencies, interest rates, transferable securities, a basket of transferable securities, or an undertaking for collective investment in accordance with 2008 Regulation.

The underlyings of the structured products with embedded derivatives in which the Compartment may invest will be in line with the 2008 Regulation and the 2010 Act.

In addition, the Compartment may invest up to 10% of its net assets in UCITS and/or other UCIs, including other compartments of the Fund pursuant to Article 181 of the 2010 Act.

At times where the Managers consider it as appropriate, prudent levels of cash, cash equivalents, money market funds (within the above mentioned 10% limit) and money market instruments will be maintained, which may be substantial or even represent, under exceptional circumstances, 100% of the Compartment's net assets.

The Compartment complies with Article 6 of SFDR.

The investment process integrates ESG factors based on proprietary and third-party research to evaluate investment risks and opportunities. As a result of this integration, sustainability risks may have a positive or a negative effect on the returns of the Compartment's portfolio.

The investments underlying the Compartment do not take into account the EU criteria for environmentally sustainable economic activities.

### Reference index:

Secured Overnight Financing Rate (SOFR). Used for performance measurement.

The portfolio composition is not constrained relative to the benchmark, so the similarity of the Compartment's performance to that of the benchmark may vary.

### Exposure to total return swaps, Securities Lending Agreements, Reverse Repurchase Agreements and Repurchase Agreements

By way of derogation to the maximum exposure referred to in the general part of the Prospectus, no more than 300% of the Compartment's net assets will be subject to total return swaps.

At the date of the Prospectus, the Compartment will not be exposed to Repurchase Agreements and Reverse Repurchase Agreements, Securities Lending Agreements. Should the Compartment decide to enter this type of operations in the future, the Prospectus will be updated.

The expected level of exposure to total return swaps amounts to 100% of the Compartment's net assets. The Compartment will use total return swaps on a temporary basis when market conditions warrant. Total return swaps will be used for implementing components of the investment policy that can only be achieved through derivatives such as gaining short exposures. Total return swaps will also be used to gain cost efficient long exposures.

### Risk Factors

The risks listed below are the main risks of the Compartment. Investors should be aware that other risks may also be relevant to the Compartment. **Please refer to the section "Risk Considerations" for a full description of these risks.**

- Counterparty risk;
- Credit risk
- Investment restriction risk;
- Restricted securities risk:
- Currency risk;
- Interest rate risk
- Emerging market risk;
- Financial derivative instruments risk;
- Concentration risk;
- Political risk;
- Leverage risk;
- Sukuk risk
- Contingent Convertibles instruments risk
- QFI risk

- CIBM risk
- Chinese currency exchange rate risk
- Repurchase and Reverse Repurchase Agreement risk
- Collateral risk
- Credit rating risk
- High Yield investment risk
- Distressed and defaulted debt securities risk
- Asset liquidity risk
- ABS and MBS risk
- Structured Finance Securities risk
- Volatility risk
- Bond Connect risk
- Sustainability risks

Invested capital may fluctuate downwards as well as upwards, and investors may not recuperate the entire value of the capital initially invested.

Method to measure risk:
Absolute value at risk approach.

Expected leverage:
800%. Depending on market conditions, the leverage may be higher.

The expected level of leverage stated reflects the anticipated level; the actual amount may differ significantly however it is not expected to exceed 1200% of the net asset value.

This may be the case when using foreign exchange derivatives in order to reduce exposure to a currency or any other financial derivative to reduce a risk of the portfolio (e.g. market, credit or interest rate). For whilst the transaction will result in a reduction in the portfolio risk, it actually increases the Compartment's leverage since netting is not taken into account.

The calculation is a sum of notionals and aggregates the absolute sum of all long and short financial derivatives. However, despite the potential for large exposures in financial derivative instruments, this is not a reflection on volatility, duration or market risk for there is no distinction for when a derivative is being used to generate investment returns or hedge a position in the portfolio to reduce risk. An example of where the level of leverage can appear to be relatively high can be illustrated by short term interest rate derivatives. Short term interest rate derivatives have low duration and low volatility but require more leverage to achieve the same amount of risk/returns compared to a longer-term interest rate derivative. Due to the high level of expected leverage, the attention of the investor should be emphasized on the risk factor "Leverage risk". Leverage may increase the volatility of the Compartment's Net Asset Value and may amplify losses which could become significant and potentially cause a total loss of the net asset value in extreme market conditions. The extensive use of financial derivatives instruments may lead to a considerable leverage effect.

Method for calculating the leverage:
Sum of the notionals

Manager:
PICTET AM Ltd, PICTET AM, PICTET AMS

Reference currency of the Compartment:
USD

Remittance of orders

*Subscription*
By 5:00 pm at the latest, 2 Banking Days before the relevant Valuation Day.

*Redemption*
By 5:00 pm at the latest, 2 Banking Days before the relevant Valuation Day.

*Switch*
The most restrictive time period of the two Compartments concerned.

Frequency of net asset value calculation
The net asset value will be determined as at each Thursday (if it is not a Banking Day, the next following Banking Day) (the "Valuation Day").

Furthermore, an additional net asset value calculation will take place as at each Banking Day; however, such additional net asset value, although available for publication, will be produced for valuation purposes only, hence no subscription or redemption orders will be accepted on the basis thereof.

In addition, a non-tradable net asset value may also be calculated as at each Week Day which is not a Banking Day; these non-tradable net asset values may be published but may only be used for producing performance measurement calculations and statistics (in particular so that comparisons can be made with the benchmark indices) or for calculating fees, and may not in any circumstances be used as a basis for subscription or redemption orders.

For further information, please refer to our website www.assetmanagement.pictet.

### Calculation Day

The calculation and publication of the net asset value as at a Valuation Day will take place on the Week Day following the relevant Valuation Day (the "**Calculation Day**").

### Payment value date for subscriptions and redemptions:

Within 3 Week Days of the applicable Valuation Day

### Shares not yet issued that may be activated at a later date:

Non activated Classes of Shares may be activated at any time by decision of the Board of Directors.

## PICTET TR – SIRIUS

| Type of Share | Initial minimum | Fee (Max in %) * | | |
|---|---|---|---|---|
| | | Management | Service** | Depositary Bank |
| I | USD 1 million | 1.60% | 0.30% | 0.15% |
| P | - | 2.30% | 0.30% | 0.15% |
| E | USD 10 million | 1.30% | 0.30% | 0.15% |
| Z | - | 0% | 0.30% | 0.15% |
| S | - | 0% | 0.30% | 0.15% |
| ZX | - | 0% | 0.30% | 0.15% |
| SX | | 0% | 0.30% | 0.15% |

* Per year of the average net assets attributable to this type of Share.
** An additional 5 basis points fee applies for hedged Share Classes.

*This table describes the types of Share Classes available as at the Prospectus date. Additional Share Classes can be made accessible after the issue of the Prospectus. For the most current information on available Share Classes, go to* www.assetmanagement.pictet.

### Performance fee:

The Manager will receive a performance fee, accrued on each Valuation Day, paid yearly, based on the net asset value (NAV) per Share, equivalent to 20 % of the performance of the NAV per Share (measured against the High Water Mark) over the performance of the index described in the below table for each Share Class, since the last Valuation Day at the end of a calculation period, on which a performance fee has been calculated. No performance fee will be payable for X Share Classes.

| Type of Share Classes | Index |
|---|---|
| Share Classes denominated in USD and GBP | Secured Overnight Financing Rate (SOFR) |
| Hedged Share Classes denominated in EUR | Euro Short Term Rate (€STR) |
| Hedged Share Classes denominated in GBP | Sterling Overnight Interbank Average Rate (SONIA) |
| Hedged Share Classes denominated in CHF | Swiss Average Rate Overnight (SARON) |
| Hedged Share Classes denominated in JPY | Tokyo Overnight Average Rate (TONAR) |

The performance fee is calculated on the basis of the NAV per Share after deduction of all expenses, liabilities, and management fees (but not performance fee), and is adjusted to take account of all subscriptions and redemptions.

Any first calculation period shall start on the launch date of the relevant Class of Share and terminate as at the last Valuation Day of the fiscal year following the current fiscal year. The subsequent calculation periods shall start on the last Valuation Day at the end of the previous calculation period and terminate as at the last Valuation Day of each following fiscal year.

The crystallisation frequency is yearly with a minimum of 12 months of crystallisation by Class of Share.

The performance reference period, which is the period at the end of which the past losses can be reset, corresponds to the whole life of the Class of Share.

The High-Water Mark (HWM) is defined as the greater of the following two figures:

- The last NAV per Share on which a performance fee has been calculated at the end of a calculation period and;
- The initial NAV per Share.

The High-Water Mark will be decreased by the dividends paid to Shareholders.

The High-Water Mark is permanent and no reset of past losses for performance fees calculation purpose is foreseen.

No performance fee will be due if the NAV per Share before performance fee turns out to be below the High-Water Mark for the calculation period in question.

Performance fee provisions will be made on each Valuation Day. If the NAV per Share decreases during the calculation period, the provisions made in respect of the performance fee will be reduced accordingly. If these provisions fall to zero, no performance fee will be payable.

If the return of the NAV per Share (measured against the High-Water Mark) is positive, but the Index return is negative, the calculated performance fee per Share will be limited to the return of the NAV per Share in order to avoid that performance fee calculation implies that the NAV per Share after performance fee be inferior to the High Water Mark.

For the Shares present into the Class of Shares at the beginning of the calculation period, performance fee will be calculated by reference to the performance against the High-Water Mark.

For the Shares subscribed during the calculation period, performance fee will be calculated by reference to the performance from the subscription date to the end of the calculation period. Furthermore, performance fee per Share will be capped to the performance fee per Share related to the Shares present into the Class of Shares at the beginning of the calculation period.

For the Shares redeemed during the calculation period, performance fee is determined based upon the “first in, first out” method where Shares bought first are redeemed first, and Shares bought last are redeemed last.

Performance fee crystallized in case of redemption is payable at the end of the calculation period even if there is no longer performance fee at that date.

Examples:

| | A | B | C | D | E | F | G | H |
|---|---|---|---|---|---|---|---|---|
| | NAV before Perf Fee | HWM per share | NAV performance | Yearly Index performance[(1)] | Cumulated Index perf | Perf Fee | Max Perf Fee (NAV - HWM) | NAV after Perf Fee |
| Year 1: | 112.00 | 100.00 | 12.00% | 2.00% | 2.00% | 2.00 | 12.00 | 110.00 |
| Year 2: | 120.00 | 110.00 | 9.09% | -1.00% | -1.00% | 2.22 | 10.00 | 117.78 |
| Year 3: | 117.00 | 117.78 | -0.66% | -1.00% | -1.00% | 0.00 | 0.00 | 117.00 |
| Year 4: | 118.50 | 117.78 | 0.61% | 2.00% | 0.98% | 0.00 | 0.72 | 118.50 |
| Year 5: | 118.00 | 117.78 | 0.19% | -2.00% | -1.04% | 0.29 | 0.22 | 117.78 |

(1) Index performance since the last Valuation Day at the end of a calculation period, on which a performance fee has been calculated.

With a performance fee rate equal to 20%.

Year 1: The NAV per share performance (12%) is superior to the Index performance (2%)
The excess of performance is 10% and generates a performance fee equal to 2.

Year 2: The NAV per share performance (9.09%) is superior to the Index performance (-1%)
The excess of performance is 10.1% and generates a performance fee equal to 2.22

Year 3: The NAV per share performance (-0.66%) is superior to the Index performance (-1%)
As the NAV per share performance against the HWM is negative, no performance fee is calculated

Year 4: The NAV per share performance (0.61%) is inferior to the Index performance since the last performance fees payment (1%)
No performance fee is calculated

Year 5: The NAV per share performance (0.19%) is superior to the Index performance since the last performance fees payment (-1%)
The excess of performance is 1.2% and generates a performance fee equal to 0.29. As the maximum performance fee is 0.22, the final performance fee is 0.22

## 7. PICTET TR – ATLAS TITAN

### Investor type profile

The Compartment is an actively managed investment vehicle for investors:

- Who wish to invest globally in shares of companies whose future looks promising while taking short positions through the use of financial derivative instruments in shares that look overvalued;
- Who are willing to bear variations in market value and thus have a low aversion to risk.

### Investment policy and objectives

The Compartment follows a set of long/short investment strategies. The objective of the Compartment is to achieve long-term capital growth in absolute terms whilst mitigating downside risk.

Traditional long positions are coupled with (synthetic) long and short positions, which will be achieved through the use of financial derivative instruments whose underliers are in line with the 2008 Regulation and the 2010 Act.

The Compartment will mainly invest in equities, equity related securities (such as but not limited to ordinary or preferred shares), deposits and money market instruments.

The Compartment may invest in any country (including emerging countries), in any economic sector and in any currency. However, depending on market conditions, the investments or exposure may be focused on one country or on a limited number of countries and/or one economic activity sector and/or one currency and/or in a single asset class.

The Compartment may also invest in securities traded on the Moscow Stock Exchange.

Under exceptional circumstances, the Compartment may invest up to 49% of its net assets in investment grade debt securities.

The Compartment will however respect the following limits:

- The Compartment may invest in depositary receipts (such as ADR, GDR, EDR) without limitation.
- The Compartment may invest in closed-ended real estate investment trusts (REITs) up to 30% of its net assets.
- The Compartment may invest up to 20% of its net assets, in China A-Shares, through (i) the Shanghai-Hong Kong Stock Connect programme (ii) the Shenzhen-Hong Kong Stock Connect programme and/or (iii) any similar acceptable securities trading and clearing linked programmes or access instruments which may be available to the Compartment in the future. The Compartment may also use financial derivative instruments on China A-Shares.
- The Compartment may invest in non-investment grade debt securities (including distressed and defaulted securities) up to 10% of its net assets.
- Investments in Rule 144A Securities may not exceed 20% of the Compartment's net assets.

The Compartment may enter into Securities Lending Agreements, Repurchase Agreements, Reverse Repurchase Agreements and total return swaps in order to increase its capital or its revenue or to reduce its costs or risks.

For hedging and for investment purposes, within the limits set out in the chapter "Investment restrictions" of the Prospectus, the Compartment may use all types of financial derivative instruments traded on a regulated market and/or over the counter (OTC) provided they are contracted with leading financial institutions specialized in this type of transactions. In particular, the Compartment may take exposure through any financial derivative instruments such as but not limited to warrants, futures, options, swaps (including but not limited to total return swaps, contracts for difference, credit default swaps) and forwards on any underlying in line with the 2010 Act as well as the investment policy of the Compartment, including but not limited to, currencies (including non-deliverable forwards), interest rates, transferable securities, basket of transferable securities, indices (including but not limited to commodities, precious metals or volatility indices), undertakings for collective investment.

The Compartment may invest in structured products, with or without embedded derivatives, such as, in particular, notes, certificates or any other transferable security whose returns are linked to, among others, an index (including indices on volatility), currencies, interest rates, transferable securities, a basket of transferable securities, or an undertaking for collective investment in accordance with the 2008 Regulation.

In compliance with the 2008 Regulation, the Compartment may also invest in structured products without embedded derivatives, correlated with changes in commodities (including precious metals) with cash settlement.

The underlyings of the structured products with embedded derivatives in which the Compartment will invest will be in line with the 2008 Regulation and the 2010 Act.

Those investments may not be used to elude the investment policy of the Compartment.

The Compartment may invest in the following investments indirectly up to the limits stated: Commodities: 20%, precious metals: 20%, real estate: 30%. In aggregate, these investments will not exceed 40% of the Compartment's net assets.

In addition, the Compartment may invest up to 10% of its net assets in UCITS and/or other UCIs.

At times where the Managers consider it as appropriate, prudent levels of cash, cash equivalents, money market funds (within the above mentioned 10% limit) and money market instruments will be maintained, which may be substantial or even represent, under exceptional circumstances, 100% of the Compartment's net assets.

The Compartment complies with Article 6 of SFDR.

The investment process integrates ESG factors based on proprietary and third-party research to evaluate investment risks and opportunities. As a result of this integration, sustainability risks may have a positive or a negative effect on the returns of the Compartment's portfolio.

The investments underlying the Compartment do not take into account the EU criteria for environmentally sustainable economic activities.

### Reference index:

MSCI AC World (EUR). Used for risk monitoring and performance measurement.

The performance of the Compartment is likely to be significantly different from that of the benchmark, because the Manager has significant discretion to deviate from its securities and weightings. As this index represents well the investment universe of the Compartment and the Compartment might have sometimes significant exposure to this market, it is deemed appropriate to measure the risk relative to this index and to compare the performance of the Compartment relative to this index.

The Compartment is also using the Euro Short Term Rate (€STR).and other similar Short-Term Rate indices, as mentioned in the table below under the "Performance Fee" paragraph, for the calculation of the performance fee considering its objective of capital preservation.

### Exposure to total return swaps, Securities Lending Agreements, Reverse Repurchase Agreements and Repurchase Agreements

At the date of the Prospectus, the Compartment will not be exposed to Repurchase Agreements and Reverse Repurchase Agreements, Securities Lending Agreements. Should the Compartment decide to enter this type of operations in the future, the Prospectus will be updated.

The expected level of exposure to total return swaps amounts to 10% of the Compartment's net assets. The Compartment will use total return swaps on a temporary basis when market conditions warrant. Total return swaps will be used for implementing components of the investment policy that can only be achieved through derivatives such as gaining short exposures. Total return swaps will also be used to gain cost efficient long exposures.

### Risk Factors

The risks listed below are the main risks of the Compartment. Investors should be aware that other risks may also be relevant to the Compartment. **Please refer to the section "Risk Considerations" for a full description of these risks.**

- Counterparty risk;
- Distressed and defaulted debt securities risk;
- Investment restriction risk;
- Restricted securities risk:
- Commodity risk;
- Currency risk;
- Equity risk;
- Emerging market risk;
- Hedging risk;
- Concentration risk;
- Political risk;
- Tax risk;

- Leverage risk;
- Stock Connect risk;
- Chinese currency exchange rate risk;
- Financial derivative instruments risk;
- Depositary receipts risk;
- Real Estate Investment Trusts (REITs) risk;
- Sustainability risks.

Invested capital may fluctuate downwards as well as upwards, and investors may not recuperate the entire value of the capital initially invested.

Method to measure risk:
Absolute value at risk approach.

Expected leverage:
400%
Depending on market conditions, the leverage may be higher.

Method for calculating the leverage:
Sum of the notionals

Managers:
PICTET AM SA; PICTET AM Ltd

Reference currency of the Compartment:
EUR

Remittance of orders

*Subscription*
By 5.00 pm at the latest, 1 Banking Day before the relevant Valuation Day.

*Redemption*
By 5.00 pm at the latest, 1 Banking Day before the relevant Valuation Day.

*Switch*
The most restrictive time period of the two Compartments concerned.

Frequency of net asset value calculation
The net asset value will be determined as at each Banking Day (the "Valuation Day").

However, the Board of Directors reserves the right not to calculate the net asset value or to calculate a net asset value that cannot be used for trading purposes due to closure of one or more markets in which the Fund is invested and/or which it uses to value a material part of the assets.

For further information, please refer to our website www.assetmanagement.pictet.

Calculation Day
The calculation and publication of the net asset value as at a Valuation Day will take place on the Week Day following the relevant Valuation Day (the "**Calculation Day**").

Payment value date for subscriptions and redemptions:
Within 3 Week Days of the applicable Valuation Day.

Shares not yet issued that may be activated at a later date:
Non activated Classes of Shares may be activated at any time by decision of the Board of Directors.

## PICTET TR – ATLAS TITAN

| Type of Share | Initial minimum | Fee (Max in %) * | | |
|---|---|---|---|---|
| | | Management | Service** | Depositary Bank |
| I | EUR 1 million | 1.60% | 0.30% | 0.15% |
| P | - | 2.30% | 0.30% | 0.15% |
| Z | - | 0% | 0.30% | 0.15% |
| S | - | 0% | 0.30% | 0.15% |
| E | EUR 5 million | 1.60% | 0.30% | 0.15% |
| MX | - | 0% | 0.30% | 0.15% |
| SX | - | 0% | 0.30% | 0.15% |

* Per year of the average net assets attributable to this type of Share.
** An additional 5 basis points fee applies for hedged Share Classes.

*This table describes the types of Share Classes available as at the Prospectus date. Additional Share Classes can be made accessible after the issue of the Prospectus. For the most current information on available Share Classes, go to* www.assetmanagement.pictet.

### Performance fee:

The Managers will receive a performance fee, accrued on each Valuation Day, paid yearly, based on the net asset value (NAV) per Share, equivalent to 20 % of the performance of the net asset value per Share (measured against the High Water Mark) over the performance of the index described in the below table for each Share Class, since the last Valuation Day at the end of a calculation period, on which a performance fee has been calculated. No performance fee will be payable for X Share Classes.

| Type of Share Classes | Index |
|---|---|
| Share Classes denominated in USD, EUR, GBP, CHF and JPY | Euro Short Term Rate (€STR) |
| Hedged Share Classes denominated in GBP | Sterling Overnight Interbank Average Rate (SONIA) |
| Hedged Share Classes denominated in CHF | Swiss Average Rate Overnight (SARON) |
| Hedged Share Classes denominated in JPY | Tokyo Overnight Average Rate (TONAR) |
| Hedged Share Classes denominated in USD | Secured Overnight Financing Rate (SOFR) |

The performance fee is calculated on the basis of the NAV per Share after deduction of all expenses, liabilities, and management fees (but not performance fee), and is adjusted to take account of all subscriptions and redemptions.

Any first calculation period shall start on the launch date of the relevant Class of Share and terminate as at the last Valuation Day of the fiscal year following the current fiscal year. The subsequent calculation periods shall start at the last Valuation Day at the end of the previous calculation period and terminate as at the last Valuation Day of each following fiscal year.

The crystallisation frequency is yearly with a minimum of 12 months of crystallisation by Class of Share.

The performance reference period, which is the period at the end of which the past losses can be reset, corresponds to the whole life of the Class of Share.

The High-Water Mark (HWM) is defined as the greater of the following two figures:

- The last NAV per Share on which a performance fee has been calculated at the end of a calculation period and;

- The initial NAV per Share.

The High-Water Mark will be decreased by the dividends paid to Shareholders.

The High-Water Mark is permanent and no reset of past losses for performance fees calculation purpose is foreseen.

No performance fee will be due if the NAV per Share before performance fee turns out to be below the High-Water Mark for the calculation period in question.

Performance fee provisions will be made on each Valuation Day. If the NAV per Share decreases during the calculation period, the provisions made in respect of the performance fee will be reduced accordingly. If these provisions fall to zero, no performance fee will be payable.

If the return of the NAV per Share (measured against the High Water Mark) is positive, but the Index return is negative, the calculated performance fee per Share will be limited to the return of the NAV per Share in order to avoid that performance fee calculation implies that the NAV per Share after performance fee be inferior to the High Water Mark.

For the Shares present into the Class of Shares at the beginning of the calculation period, performance fee will be calculated by reference to the performance against the High-Water Mark.

For the Shares subscribed during the calculation period, performance fee will be calculated by reference to the performance from the subscription date to the end of the calculation period. Furthermore, performance fee per Share will be capped to the performance fee per Share related to the Shares present into the Class of Shares at the beginning of the calculation period.

For the Shares redeemed during the calculation period, performance fee is determined based upon the "first in, first out" method where Shares bought first are redeemed first, and Shares bought last are redeemed last.

Performance fee crystallized in case of redemption is payable at the end of the calculation period even if there is no longer performance fee at that date.

Examples:

| | A | B | C | D | E | F | G | H |
|---|---|---|---|---|---|---|---|---|
| | NAV before Perf Fee | HWM per share | NAV performance | Yearly Index perfor-mance[(1)] | Cumulated Index perf | Perf Fee | Max Perf Fee (NAV - HWM) | NAV after Perf Fee |
| Year 1: | 112.00 | 100.00 | 12.00% | 2.00% | 2.00% | 2.00 | 12.00 | 110.00 |
| Year 2: | 120.00 | 110.00 | 9.09% | -1.00% | -1.00% | 2.22 | 10.00 | 117.78 |
| Year 3: | 117.00 | 117.78 | -0.66% | -1.00% | -1.00% | 0.00 | 0.00 | 117.00 |
| Year 4: | 118.50 | 117.78 | 0.61% | 2.00% | 0.98% | 0.00 | 0.72 | 118.50 |
| Year 5: | 118.00 | 117.78 | 0.19% | -2.00% | -1.04% | 0.29 | 0.22 | 117.78 |

(1) Index performance since the last Valuation Day at the end of a calculation period, on which a performance fee has been calculated.

With a performance fee rate equal to 20%.

Year 1: The NAV per share performance (12%) is superior to the Index performance (2%)
The excess of performance is 10% and generates a performance fee equal to 2.

Year 2: The NAV per share performance (9.09%) is superior to the Index performance (-1%)
The excess of performance is 10.1% and generates a performance fee equal to 2.22

Year 3: The NAV per share performance (-0.66%) is superior to the Index performance (-1%)
As the NAV per share performance against the HWM is negative, no performance fee is calculated

Year 4: The NAV per share performance (0.61%) is inferior to the Index performance since the last performance fees payment (1%)
No performance fee is calculated

Year 5: The NAV per share performance (0.19%) is superior to the Index performance since the last performance fees payment (-1%)
The excess of performance is 1.2% and generates a performance fee equal to 0.29. As the maximum performance fee is 0.22, the final performance fee is 0.22

## 8. PICTET TR – LOTUS

The compartment is an actively managed vehicle for investors:

- Who wish to invest in shares of Asia Pacific companies and/or companies which may be exposed to corporate events in the Asia Pacific region, whose future looks promising.;
- Who are willing to bear variations in market value and thus have a low aversion to risk.

### Investment policy and objectives

The Compartment follows a set of long/short investment strategies mainly related to corporate events which may include but are not limited to, mergers, acquisitions, corporate restructures, spinoffs, liquidity events, recapitalisations, pre-event situations, initial public offerings, as well as industry and other transformational events. Short positions will also be taken through the use of financial derivative instruments in shares that look overvalued.

The objective of the Compartment is to achieve long-term capital growth in absolute terms with a strong focus on capital preservation. Traditional long positions are coupled with (synthetic) long and short positions, which will be achieved through the use of financial derivative instruments whose underliers are in line with the 2008 Regulation and the 2010 Act.

The Compartment will mainly invest directly in equities and equity related securities (such as ordinary or preferred shares and those mentioned below) and/or indirectly (via the use of financial derivative instruments and structured products), money market instruments and deposits.

The Manager intends to operate the Compartment in a way that indirect investments are expected to be between 20% and 85% of the Compartment 's net assets, while direct investments should remain between 15% and 40%.

It is expected that money market instruments should not represent more than 10% of the net assets, while deposit should amount to maximum 80%.

Equity and equity related securities will be issued by companies domiciled, listed, headquartered, operating in and have, or strong potential to have, economic exposure to the Asia Pacific region.

Except the above-mentioned geographical criteria, the choice of investments will neither be limited by geographical area (including emerging markets), an economic sector nor in terms of currencies in which investments will be denominated. However, depending on financial market conditions, a particular focus can be placed in a single country of Asia Pacific region and/or in a single currency and/or in a single economic sector.

On an ancillary basis, the Compartment may invest in debt securities (investment grade and non-investment grade), undertakings for collective investment (UCIs) and hold cash]

The Compartment will however respect the following limits:

- up to 30% of its net assets in each of depositary receipts (such as ADR, GDR, EDR), in closed-ended real estate investment trusts (REITs) and Rule 144A Securities.
- up to 40% of its net assets, in China A-Shares, through (i) the QFI status granted to the QFI Holder, and/or (ii) the Shanghai-Hong Kong Stock Connect programme (iii) the Shenzhen-Hong Kong Stock Connect programme and/or (iv) any similar acceptable securities trading and clearing linked programmes or access instruments which may be available to the Compartment in the future. The Compartment may also use financial derivative instruments on China A-Shares;
- up to 10% of its net assets in non-investment grade debt securities;
- up to 10% of its net assets in investment grade debt securities
- up to 15% of its net assets in convertible bonds;
- up to 10% of its net assets in UCITS and/or other UCIs including, without limitation, other Compartments of the Fund, pursuant to Article 181 of the 2010 Act as indicated in the "Investment Restrictions" section;
- up to 10% of its net assets in SPACs;
- under normal market conditions, ancillary liquid assets may represent up to 20% of the Compartment's net assets.

The Compartment may enter into Securities Lending Agreements, in order to increase its capital or its revenue

For hedging, efficient management portfolio and investment purposes, within the limits set out in the chapter "Investment restrictions" of the Prospectus, the Compartment may use all types of financial derivative instruments traded on a regulated market and/or over the counter (OTC) provided they are contracted with leading financial institutions specialized in this type of transactions. In particular, the Compartment may take exposure through any financial derivative instruments such as but not limited to warrants, futures, options, swaps (including but not limited to total return swaps, contracts for difference, credit default swaps) and forwards on any underlying in line with the 2010 Act as well as the investment policy of the Compartment, including but not limited to, currencies (including non-deliverable forwards), interest rates, transferable securities, basket of transferable securities, indices (including but not limited to commodities, precious metals or volatility indices), undertakings for collective investment. As a consequence of this use of financial derivative instruments for the long and short positions, the Compartment may have a considerable leverage.

The Compartment may also invest in structured products, with or without embedded derivatives such as but not limited to notes, certificates or any other transferable securities whose returns are correlated with changes in, among others, indices , currencies, exchange rates, transferable securities, a basket of transferable securities, or an undertaking for collective investment, commodities (including precious metals) with cash settlement at all times in compliance with the 2008 Regulation. The underlyings of the structured products will be in line with the 2008 Regulation and the 2010 Act.

Those investments may not be used to elude the investment policy of the Compartment.

Under exceptional circumstances, and for a limited period of time, if the Manager considers this to be in the best interest of the Shareholders, the Compartment may hold up to 100% of its net assets in cash, cash equivalents, money market instruments.

The Compartment complies with Article 6 of SFDR.

The investment process integrates ESG factors based on proprietary and third-party research to evaluate investment risks and opportunities. As a result of this integration, sustainability risks may have a positive or a negative effect on the returns of the Compartment's portfolio.

The investments underlying the Compartment do not take into account the EU criteria for environmentally sustainable economic activities.

### Reference index:

Euro Short Term Rate (€STR). Used for performance measurement.

The portfolio composition is not constrained relative to the benchmark, so the similarity of the Compartment's performance to that of the benchmark may vary.

### Exposure to total return swaps, Securities Lending Agreements, Reverse Repurchase Agreements and Repurchase Agreements

At the date of the Prospectus, the Compartment will not be exposed to Repurchase Agreements and Reverse Repurchase Agreements, Securities Lending Agreements. Should the Compartment decide to enter this type of operations in the future, the Prospectus will be updated prior to such use.

The expected level of exposure to total return swaps amounts to 10% of the Compartment's net assets.

The Compartment will use total return swaps as an integral part of the investment policy and use them on a continuous basis regardless of market conditions. Total return swaps will be used for implementing components of the investment policy that can only be achieved through derivatives such as gaining short exposures. Total return swaps may also be used to gain cost efficient long exposures.

### Risk Factors

The risks listed below are the main risks of the Compartment. Investors should be aware that other risks may also be relevant to the Compartment. **Please refer to the section "Risk Considerations" for a full description of these risks.**

- Counterparty risk;
- Collateral risk
- Credit risk;
- Currency risk
- High Yield investment risk;
- Equity risk;
- Interest rate risk;
- Emerging market risk;
- Financial derivative instruments risk;
- Leverage risk;
- Liquidity risk
- Volatility risk;
- Tax risk:
- Concentration risk;
- Political risk;
- QFI risk;
- Stock Connect risk;
- Settlement risk
- Sustainability risks.
- SPACs risk

Invested capital may fluctuate downwards as well as upwards, and investors may not recuperate the entire value of the capital initially invested.

### Method to measure risk:

Absolute value at risk approach

### Expected leverage:

200%

Depending on market conditions, the leverage may be higher.

Method for calculating the leverage:
Sum of the notionals

Manager:
PICTET AMS

Reference currency of the Compartment:
EUR

Remittance of orders

*Subscription*
By 5:00 pm at the latest, 2 Banking Days before the relevant Valuation Day.

*Redemption*
By 5:00 pm at the latest, 2 Banking Days before the relevant Valuation Day.

*Switch*
The most restrictive time period of the two Compartments concerned.

Frequency of net asset value calculation
The net asset value will be determined as at each Thursday (if it is not a Banking Day, the next following Banking Day) (the "**Valuation Day**").

Furthermore, an additional net asset value calculation will take place as at each Banking Day; however, such additional net asset value, although available for publication, will be produced for valuation purposes only, hence no subscription or redemption orders will be accepted on the basis thereof.

In addition, a non-tradable net asset value may also be calculated as at each Week Day which is not a Banking Day; these non-tradable net asset values may be published but may only be used for producing performance measurement calculations and statistics (in particular so that comparisons can be made with the benchmark indices) or for calculating fees, and may not in any circumstances be used as a basis for subscription or redemption orders.

For further information, please refer to our website www.assetmanagement.pictet.

Calculation Day
The calculation and publication of the net asset value as at a Valuation Day will take place on the Week Day following the relevant Valuation Day (the "**Calculation Day**").

Payment value date for subscriptions and redemptions
Within 3 Week Days of the applicable Valuation Day.

Shares not yet issued that may be activated at a later date:
Non activated Classes of Shares may be activated at any time by decision of the Board of Directors

## PICTET TR – LOTUS

| Type of Share | Initial min | Fee (Max in %) * | | |
|---|---|---|---|---|
| | | Management | Service** | Depositary Bank |
| I | EUR 1 million | 1.60% | 0.30% | 0.15% |
| P | - | 2.30% | 0.30% | 0.15% |
| Z | - | 0% | 0.30% | 0.15% |
| ZX | - | 0% | 0.30% | 0.15% |
| E | EUR 5 million | 1.60% | 0.30% | 0.15% |

* Per year of the average net assets attributable to this type of Share.
** An additional 5 basis points fee applies for hedged Share Classes.

*This table describes the types of Share Classes available as at the Prospectus date. Additional Share Classes can be made accessible after the issue of the Prospectus. For the most current information on available Share Classes, go to* www.assetmanagement.pictet.

### Performance fee:

The Managers will receive a performance fee, accrued on each Valuation Day, paid yearly, based on the net asset value (NAV) per Share, equivalent to 20 % (for Z, I and P Share Classes) respectively 15% (for E Share Classes) of the performance of the net asset value per Share (measured against the High Water Mark) over the performance of the index described in the below table for each Share Class, since the last Valuation Day at the end of a calculation period, on which a performance fee has been calculated. No performance fee will be payable for X Share Classes.

| Type of Share Classes | Index |
|---|---|
| Share Classes denominated in EUR, USD, CHF, JPY, and GBP | Euro Short Term Rate (€STR) |
| Hedged Share Classes denominated in USD | Secured Overnight Financing Rate (SOFR) |
| Hedged Share Classes denominated in GBP | Sterling Overnight Interbank Average Rate (SONIA) |
| Hedged Share Classes denominated in CHF | Swiss Average Rate Overnight (SARON) |
| Hedged Share Classes denominated in JPY | Tokyo Overnight Average Rate (TONAR) |

The performance fee is calculated on the basis of the net asset value per Share after deduction of all expenses, liabilities, and management fees (but not performance fee), and is adjusted to take account of all subscriptions and redemptions.

Any first calculation period shall start on the launch date of the relevant Class of Share and terminate as at the last Valuation Day of the fiscal year following the current fiscal year. The subsequent calculation periods shall start on the last Valuation Day at the end of the previous calculation period and terminate as at the last Valuation Day of each following fiscal year.

The crystallisation frequency is yearly with a minimum of 12 months of crystallisation by Class of Share.

The performance reference period, which is the period at the end of which the past losses can be reset, corresponds to the whole life of the Class of Share.

The High-Water Mark (HWM) is defined as the greater of the following two figures:

The last NAV per Share on which a performance fee has been calculated at the end of a calculation period and;

The initial NAV per Share.

The High-Water Mark will be decreased by the dividends paid to Shareholders.

The High-Water Mark is permanent and no reset of past losses for performance fees calculation purpose is foreseen.

No performance fee will be due if the NAV per Share before performance fee turns out to be below the High-Water Mark for the calculation period in question.

Performance fee provisions will be made as at each Valuation Day. If the NAV per Share decreases during the calculation period, the provisions made in respect of the performance fee will be reduced accordingly. If these provisions fall to zero, no performance fee will be payable.

If the return of the NAV per Share (measured against the High-Water Mark) is positive, but the Index return is negative, the calculated performance fee per Share will be limited to the return of the NAV per Share in order to avoid that performance fee calculation implies that the NAV per Share after performance fee be inferior to the High-Water Mark.

For the Shares present into the Class of Shares at the beginning of the calculation period, performance fee will be calculated by reference to the performance against the High-Water Mark.

For the Shares subscribed during the calculation period, performance fee will be calculated by reference to the performance from the subscription date to the end of the calculation period. Furthermore, performance fee per Share will be capped to the performance fee per Share related to the Shares present into the Class of Shares at the beginning of the calculation period.

For the Shares redeemed during the calculation period, performance fee is determined based upon the “first in, first out” method where Shares bought first are redeemed first, and Shares bought last are redeemed last.

Performance fee crystallized in case of redemption is payable at the end of the calculation period even if there is no longer performance fee at that date.

Examples:

| | A | B | C | D | E | F | G | H |
|---|---|---|---|---|---|---|---|---|
| | NAV before Perf Fee | HWM per share | NAV performance | Yearly Index performance[1] | Cumulated Index perf | Perf Fee | Max Perf Fee (NAV - HWM) | NAV after Perf Fee |
| Year 1: | 112.00 | 100.00 | 12.00% | 2.00% | 2.00% | 2.00 | 12.00 | 110.00 |
| Year 2: | 120.00 | 110.00 | 9.09% | -1.00% | -1.00% | 2.22 | 10.00 | 117.78 |
| Year 3: | 117.00 | 117.78 | -0.66% | -1.00% | -1.00% | 0.00 | 0.00 | 117.00 |
| Year 4: | 118.50 | 117.78 | 0.61% | 2.00% | 0.98% | 0.00 | 0.72 | 118.50 |
| Year 5: | 118.00 | 117.78 | 0.19% | -2.00% | -1.04% | 0.29 | 0.22 | 117.78 |

(2) Index performance since the last Valuation Day at the end of a calculation period, on which a performance fee has been calculated.

With a performance fee rate equal to 20%.

Year 1: The NAV per share performance (12%) is superior to the Index performance (2%)
The excess of performance is 10% and generates a performance fee equal to 2.

Year 2: The NAV per share performance (9.09%) is superior to the Index performance (-1%)
The excess of performance is 10.1% and generates a performance fee equal to 2.22

Year 3: The NAV per share performance (-0.66%) is superior to the Index performance (-1%)
As the NAV per share performance against the HWM is negative, no performance fee is calculated

Year 4: The NAV per share performance (0.61%) is inferior to the Index performance since the last performance fees payment (1%)
No performance fee is calculated

Year 5: The NAV per share performance (0.19%) is superior to the Index performance since the last performance fees payment (-1%)
The excess of performance is 1.2% and generates a performance fee equal to 0.29. As the maximum performance fee is 0.22, the final performance fee is 0.22

For further information,
please visit our websites:

www.assetmanagement.pictet.
www.pictet.com