

PRODUCT KEY FACTS STATEMENT

PICTET – SMARTCITY

As at August 2022

This statement provides you with key information about this product.
This statement is a part of the offering document.
You should not invest in this product based on this statement alone.

Quick Facts

Management Company:	Pictet Asset Management (Europe) S.A.	
Fund Manager:	Pictet Asset Management S.A., Switzerland (Internal delegation)	
Depository Bank:	Pictet & Cie (Europe) S.A	
Sub-Custodian:	The Hongkong and Shanghai Banking Corporation Limited	
PRC Custodian:	HSBC Bank (China) Company Limited	
Ongoing Charges over a year#:	HP dy AUD	2.03%
	HP dy HKD	2.04%
	P EUR	1.99%
	P USD	1.99%
	P dm EUR	1.99%
	P dy GBP	1.59%
	P dy SGD	1.99%
	P dy USD	1.99%
	P dy EUR	1.99%
	HP USD	2.03%
	HP dy USD	2.03%
	HP dy GBP	2.05%
Base Currency:	EUR	
Financial year end of this fund:	30 September	
Dealing frequency:	Daily	

Dividend Policy		Minimum investment			
HP dy AUD	Dividends will be declared annually on a discretionary basis, and if declared, dividends will be paid annually. Dividends may be paid out of the capital and may reduce the sub fund's net asset value.	Initial:	N/A	Additional:	N/A
HP dy HKD	Dividends will be declared annually on a discretionary basis, and if declared, dividends will be paid annually. Dividends may be paid out of the capital and may reduce the sub fund's net asset value.	Initial:	N/A	Additional:	N/A
P EUR	Dividend (if any) will be reinvested	Initial:	N/A	Additional:	N/A
P USD	Dividend (if any) will be reinvested	Initial:	N/A	Additional:	N/A
P dm EUR	Dividends will be declared monthly on a discretionary basis, and if monthly, dividends will be paid monthly. Dividends may be paid out of the capital and may reduce the sub fund's net asset value.	Initial:	N/A	Additional:	N/A
P dy GBP	Dividends will be declared annually on a discretionary basis, and if declared, dividends will be paid annually. Dividends may be paid out of the capital and may reduce the sub fund's net asset value.	Initial:	N/A	Additional:	N/A
P dy SGD	Dividends will be declared annually on a discretionary basis, and if declared, dividends will be paid annually. Dividends may be paid out of the capital and may reduce the sub fund's net asset value.	Initial:	N/A	Additional:	N/A
P dy USD	Dividends will be declared annually on a discretionary basis, and if declared, dividends will be paid annually. Dividends may be paid out of the capital and may reduce the sub fund's net asset value.	Initial:	N/A	Additional:	N/A

P dy EUR	Dividends will be declared annually on a discretionary basis, and if declared, dividends will be paid annually. Dividends may be paid out of the capital and may reduce the sub fund's net asset value.	Initial:	N/A	Additional:	N/A
HP USD	Dividend (if any) will be reinvested	Initial:	N/A	Additional:	N/A
HP dy USD	Dividends will be declared annually on a discretionary basis, and if declared, dividends will be paid annually. Dividends may be paid out of the capital and may reduce the sub fund's net asset value.	Initial:	N/A	Additional:	N/A
HP dy GBP	Dividends will be declared annually on a discretionary basis, and if declared, dividends will be paid annually. Dividends may be paid out of the capital and may reduce the sub fund's net asset value.	Initial:	N/A	Additional:	N/A

The ongoing charges figure is based on expenses for a one-year period ended 30 September 2021 and the average net asset value of the corresponding period. This figure may vary from year to year.

WHAT IS THIS PRODUCT?

This is a sub fund of Pictet (the “**Fund**”) which is a mutual fund domiciled in Luxembourg and its home regulator is Commission de Surveillance du Secteur Financier (CSSF).

OBJECTIVES AND INVESTMENT STRATEGY

The sub fund aims to achieve capital growth by investing mainly (at least 51% but up to 100% of its net asset value) in equities and equity related securities (such as convertible bonds, closed ended real estate investments trusts (REITs), American Depositary Receipt (ADR), Global Depositary Receipt (GDR)) issued by companies that contribute to and/or profit from the trend towards urbanisation. The sub fund applies a sustainable strategy which aims to achieve a positive environmental and social impact by investing mainly in companies providing smarter solutions to the challenges of urbanisation and improving the quality of life of city residents, in particular in the areas of the environment, safety, health, education, employment, community or mobility.

A significant proportion of these companies' activities (as measured by turnover, enterprise value, earning before income and tax, or similar metrics) are related to, but not limited to, mobility and transportation, infrastructure, real estate, sustainable resources management (such as energy efficiency or waste management) as well as enabling technologies and services supporting the development of smart and sustainable cities.

The exposure to securities issued by the above companies that contribute to and/or profit from the trend towards urbanisation is normally above 70% of its net asset value.

The sub fund may invest in any country (including emerging countries), in any economic sector and in any currency. However, depending on market conditions, the investments may be focused on one country or on a limited number of countries and/or one economic activity sector and/or one currency.

The sub fund may invest up to 30% of its net assets in China A Shares through (i) the QFI status granted to an entity of the Pictet Group, (ii) the Shanghai-Hong Kong Stock Connect programme, (iii) the Shenzhen-Hong Kong Stock Connect programme and/or (iv) any similar acceptable securities trading programmes which may be available to the sub fund in the future as approved by the relevant regulators from time to time. The sub fund may also use financial derivative instruments, such as futures and swaps, on China A Shares.

The sub fund may invest up to 49% of its net assets in closed-ended REITs.

The sub fund may also invest in depositary receipts, including American Depositary Receipt (ADR), Global Depositary Receipt (GDR) and European Depositary Receipt (EDR). The sub fund will only invest in depositary receipts that represent such underlying assets that are related to the primary investment objective of the sub fund.

More than 50% of the sub fund's net asset value will be continuously invested in "equity assets" as defined in paragraph 8 of section 2 of the German Investment Tax Act (2018).

The sub fund may normally invest up to 10% of its net assets in undertakings for collective investment in transferable securities (UCITS) and other undertakings for collective investment (UCIs).

The sub fund will not invest more than 10% of its assets in bonds or any other debt security (including convertible bonds and preference shares), money market instruments, derivatives and/or structured products whose underliers are, or offer exposure to, bonds or similar debt and interest-rate securities, as well as debt instruments with loss-absorption features (e.g. debt instruments, contingent convertible bonds, non-preferred senior debt instruments and other senior or subordinated debt instruments issued by a holding company of a financial institution with features of contingent write-down or contingent conversion to ordinary shares on the occurrence of (i) when a financial institution is near or at the point of non-viability, or (ii) when the capital ratio of a financial institution falls to a specified level).

The investment process integrates environmental, social and governance (ESG) factors (which may involve focusing on companies that aim to make cities inclusive, safe, resilient, and sustainable, e.g. by using land, water, energy and other resources more efficiently via density and scale effects; analysing controversies of companies based on incidents and events that may pose a business or reputational risk due to the potential negative impact on stakeholders, the environment, or the company's operations, such as pollution incidents, accidents, violations of human rights, product-related issues and breaches of business ethics; analysing the corporate governance of companies based on board structure, executive remuneration, shareholder rights, and audit practices) based on proprietary and third-party research to evaluate investment risks and opportunities. The proportion of the sub fund's portfolio subject to ESG analysis is at least 90% of the net assets or number of issuers of securities invested by the sub fund. The issuers of securities invested by the sub fund are subject to good governance practices. Further, when selecting the sub fund's investments, the environmental and social characteristics of issuers are taken into account to increase or decrease the target weight of securities issued by such issuers contemplated by the fund manager to be invested by the sub fund. The foregoing environmental and social characteristics and governance practices are measured by an ESG score internally computed by Pictet based on Pictet's internal ESG assessment and ESG data from external providers (e.g. Institutional Shareholder Services, Sustainalytics, and FTSE Russell Green Revenues). The sub fund aims to have a better ESG profile, as measured by the weighted average of the foregoing ESG scores of the sub fund's portfolio of issuers, than that of the reference index (i.e. MSCI AC World (EUR)).

In line with Pictet Asset Management's commitment to responsible investment:

- The Management Company ensures that voting rights are exercised methodically.
- The fund managers may engage with issuers in order to positively influence ESG practices.

- The sub fund adopts an exclusion policy relating to direct investment in companies and countries that are deemed incompatible with Pictet Asset Management's approach to responsible investment. Exclusions are based on a combination of revenue thresholds derived from controversial activities that are deemed harmful to society and/or the environment, and severe breaches of international norms on human rights, labour standards, environmental protection and anti-corruption. Such exclusions may include biological and chemical weapons, as well as nuclear weapons from a country which is not a signatory to the 1968 Treaty on the Non-Proliferation of Nuclear Weapons. Companies above the relevant revenue thresholds or severely breaches the relevant international norms are excluded from investment by the sub fund.

For further information including Pictet's responsible investment policy, please refer to www.am.pictet/-/media/pam/pam-common-gallery/article-content/2021/pictet-asset-management/responsible-investment-policy.pdf. This website has not been reviewed by the SFC.

The sub fund may use FDIs, such as warrants, options or forwards, primarily for efficient portfolio management and/or hedging purposes.

Under exceptional circumstances (e.g. market crash, market disruption or major crisis), the sub fund may temporarily hold up to 100% of its net assets in cash and Cash Equivalents for cash flow and liquidity management. "Cash Equivalents" are investments that can be readily converted into cash, such as a money market instrument, a bank deposit or a money market fund. As stated above, not more than 10% of the sub fund's net assets will be invested in UCITS and other UCIs.

USE OF DERIVATIVES / INVESTMENT IN DERIVATIVES

The sub fund's net derivative exposure may be up to 50% of its NAV.

WHAT ARE THE KEY RISKS?

Investment involves risks. Please refer to the offering document for details including risk factors.

Equity Risk

- › The equity markets may fluctuate significantly with prices rising and falling sharply, and this will have a direct impact on the sub fund's net asset value ("**NAV**").

Risk associated with investments with an urbanisation theme

- › Certain underlying investments may have to be liquidated at a disadvantageous price at an inopportune time in the event the business nature of the issuer no longer meets the sub fund's urbanisation criteria.
- › Certain themes are integrated into the investment selection process, which involves analysis of potential investment based on certain urbanisation factors. Such assessment by the investment manager is subjective in nature and it is thus possible that the relevant investment criteria may not be applied correctly. This can lead to the sub fund forgoing investment opportunities which meet the relevant fund's urbanisation criteria or investing in securities which do not meet such criteria.
- › The assessment of a potential investment based on the sub fund's urbanisation criteria is dependent upon information and data from the security issuer and/or third-parties (which may include providers for research, reports, screening, ratings and/or analysis such as index providers and consultants). Such information or data may be incomplete, inaccurate or inconsistent. The lack of a standardised taxonomy may also affect the investment manager's ability to measure and assess the fund's urbanisation impact of a potential investment.
- › The sub fund implements the Pictet Group's exclusion policy which is further disclosed in the section entitled "Objectives and Investment Strategy". Implementation of such policy may result in the sub fund forgoing opportunities to buy certain securities when it might otherwise be advantageous to do so, and/or selling securities when it might be disadvantageous to do so.
- › The sub fund invests mainly in securities issued by companies that contribute to and/or profit from the trend towards urbanisation. The value of the sub fund may be more volatile than that of a fund having a more diverse portfolio of investments.

Currency Risk

- › The sub fund may hold assets denominated in currencies other than its base currency. It may be affected by changes in exchange rates between the base currency and these other currencies or by changes to exchange control regulations. The conversion of the sub fund's assets from the denomination currency into the base currency is part of the sub fund's NAV calculation process. For instance, if the currency in which an asset is denominated depreciates against the sub fund's base currency, its equivalent value in the base currency will also depreciate.

Concentration risk

- › The sub fund's investments are concentrated in specific industry sector, country or currency. The value of the sub fund may be more volatile than that of a fund having a more diverse portfolio of investments.
- › The value of the sub fund may be more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event affecting the sectors or countries or currencies in which the sub fund invests in.

Risks associated with small-capitalisation / mid-capitalisation companies

- › The sub fund aims to achieve capital growth by investing mainly in equities and equity related securities issued by companies that contribute to and/or profit from the trend towards urbanization. Some of these companies may be small-capitalisation/mid-capitalisation companies. The stock of small-capitalisation/mid-capitalisation companies may have lower liquidity and their prices are more volatile to adverse economic developments than those of larger capitalization companies in general.

Risks related to closed-ended REITs

- › The sub fund may invest in closed-ended REITs. In general, REITs may involve a high level of risk as their underlying investments may be relatively illiquid and this may affect the ability of the REIT to vary its investment portfolio or liquidate part of its assets in response to changes in economic conditions, international securities markets, foreign exchange rates, interest rates, real estate market, commodities market or other condition. Closed-ended REITs may at times be subject to liquidity risk and may only be acquired or disposed of at market prices rather than at their NAV. Units of such closed-ended REITs may thus at times be acquired at market prices representing premiums to their NAV or disposed of at market prices representing discounts to their NAV.

Risks relating to convertible bonds

- › The sub fund may invest in convertible bonds. Convertible bonds are a hybrid between debt and equity, permitting holders to convert into shares in the company issuing the bond at a specified future date. As such, convertibles will be exposed to equity movement and greater volatility than straight bond investments. Investments in convertible bonds are subject to the same interest rate risk, credit risk, liquidity risk and prepayment risk associated with comparable straight bond investments.

Risks relating to depositary receipts

- › The sub fund may invest in depositary receipts (ADR, EDR, GDR). Depositary receipts are instruments that represent shares in companies trading outside the markets in which the depositary receipts are traded. Accordingly there is a risk that the shares underlying the instruments may be subject to political, inflationary, exchange rate or custody risks in the markets in which the underlying shares are traded.

Risks associated with emerging markets

- › The sub fund may have exposure to emerging markets which are generally considered to present higher political and economic risks, fiscal and tax risks and capital repatriation risk. As a result, the sub fund's investments may be more volatile and/or less liquid.
- › The securities markets of emerging or developing countries may be less mature, and the prices of securities traded on such markets tend to be more volatile.
- › Because of relative lack of market regulations and the fact that laws on the ownership of securities may be vague and do not provide the same guarantees, the legal and regulatory risks, settlement risks and custody risk are generally considered to be higher than in more developed countries.
- › In addition, the accounting and financial information on companies in some emerging markets may be more cursory and less reliable.

Risks related to investment in the PRC

Investing in the securities market in the PRC is subject to the risks specific to the PRC market including change in political, social or economic policy risk, liquidity and volatility risk, currency and exchange risk.

- › **Change in political, social or economic policy risk** – The investment will be sensitive to any significant change in political, social or economic policy in the PRC which may adversely affect the capital growth and thus the fund performance.
- › **Liquidity and volatility risk** – Compared with the choice available in other markets, there is a low level of liquidity in the securities market in the PRC. This could potentially lead to severe price volatility.
- › **Currency and exchange risk** – RMB is currently not freely convertible and is subject to exchange controls and restrictions. Non-RMB based investors are exposed to foreign exchange risk and there is no guarantee that the value of RMB against the investors' base currencies (for example HKD) will not depreciate. Any depreciation of RMB could adversely affect the value of investor's investment in the fund. Although offshore RMB (CNH) and onshore RMB (CNY) are the same currency, they trade at different rates. Any divergence between CNH and CNY may adversely impact investors. The PRC government's control of currency conversion and exchange rates may adversely affect the operations and financial results of the companies invested in by the sub fund. Under exceptional circumstances, payment of redemptions and/or dividend payment in RMB may also be delayed due to the exchange controls and restrictions applicable to RMB.
- › **PRC taxation consideration** – The sub fund may be subject to income tax on capital gain, dividend, interest and other taxes for investing in the securities market in the PRC. The tax laws, regulations and practice in the PRC are constantly changing, and may be changed with retrospective effect. Right is reserved to provide for tax on gains derived from the disposal of PRC securities. With the uncertainty of PRC tax rules, any provision for taxation made may be excessive or inadequate to meet final PRC tax liabilities. Consequently, investors may be advantaged or disadvantaged depending upon the final rules. Based on professional and independent tax advice, the sub fund will not make any tax provisions on realised and/or unrealised capital gains, dividends and interests derived from the disposal of PRC securities.

Risks associated with investment made through the QFI regime

- › The sub fund's ability to make the relevant investments or to fully implement or pursue its investment objective and strategy is subject to the applicable laws, rules and regulations (including restrictions on investments and repatriation of principal and profits) in the PRC, which are subject to change and such change may have potential retrospective effect.
- › The sub fund may suffer substantial losses if the approval of the QFI status is being revoked/terminated or otherwise invalidated as the sub fund may be prohibited from trading of relevant securities and repatriation of the sub fund's monies, or if any of the key operators or parties (including the PRC Custodian, Sub-Custodian or brokers) is bankrupt or in default and/or is disqualified from performing its obligations (including execution or settlement of any transaction or transfer of monies or securities).

Risks associated with the Stock Connects

- › The relevant rules and regulations on the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect (collectively, the "**Stock Connects**") are subject to change which may have potential retrospective effect. The Stock Connects are subject to quota limitations. Where a suspension in the trading through the Stock Connects is effected, the sub fund's ability to invest in China A-Shares or access the PRC market through the Stock Connects will be adversely affected. In such event, the sub fund's ability to achieve its investment objective could be negatively affected.

Risks relating to the use of FDIs

- › The sub fund's use of FDIs may become ineffective in efficient portfolio management and/or hedging. The prices of FDIs (such as warrants, options or forwards) can be volatile and the use of FDIs can entail various risks, including liquidity, legal and counterparty risks, especially when they are conducted over-the-counter. Also, the value of the FDIs may not correlate perfectly with the value of the underlying assets. As a result, the sub fund may suffer significant losses.

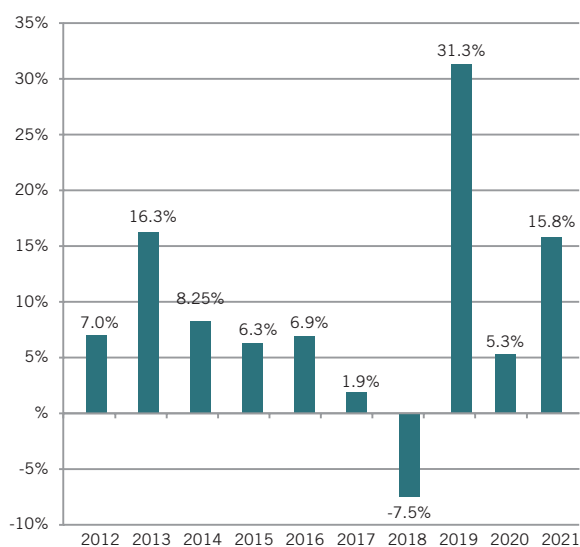
Risks relating to Distribution share classes

- › Dividends payable (if any) from dy and/or dm distribution shares may be paid out of the capital of the sub fund.
- › The Fund may amend the above dividend policy subject to obtaining the Securities and Futures Commission's ("SFC") prior approval and by giving not less than one month's prior notice to affected Hong Kong investors.
- › Payment of dividends out of capital amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. Investors should be aware that distributions, including distributions involving payment of dividends out of the sub fund's capital, may result in an immediate reduction in the NAV per distribution share of the sub fund.

Investment Risk

- › The sub fund's investment portfolio may fall in value and therefore your investment in the sub fund may suffer losses.

HOW HAS THE SUB FUND PERFORMED?



The performance of these years were achieved under circumstances that no longer apply, the investment strategy was changed since 2018.

- › Past performance information is not indicative of future performance. Investors may not get back the full amount invested.
- › The computation basis of the performance is based on the calendar year end, NAV-To-NAV, with dividend reinvested.
- › These figures show by how much P EUR share class increased or decreased in value during the calendar year being shown. Performance data has been calculated in EUR including ongoing charges and excluding subscription fee and redemption fee you might have to pay.
- › Where no past performance is shown there was insufficient data available in that year to provide performance.
- › Fund launch date: 12.05.2010
- › P EUR share class launch date: 12.05.2010
- › Representative Share Class P EUR: open for investment by HK retail investors and in base currency of the sub fund and with the longest track record.

IS THERE ANY GUARANTEE?

This sub fund does not have any guarantees. You may not get back the full amount of money you invest.

WHAT ARE THE FEES AND CHARGES?

Charges which may be payable by you

You may have to pay the following fees when dealing in the shares of the sub fund.

FEE	WHAT YOU PAY (AS A % OF NAV PER SHARE)					
<i>Share classes</i>	<i>P EUR</i>	<i>P dy GBP</i>	<i>P dy EUR</i>	<i>P dy USD</i>	<i>P dm EUR</i>	<i>P USD</i>
Subscription fee*	Up to 5.0%	Up to 5.0%	Up to 5.0%	Up to 5.0%	Up to 5.0%	Up to 5.0%
Switching fee*	Up to 2.0%	Up to 2.0%	Up to 2.0%	Up to 2.0%	Up to 2.0%	Up to 2.0%
Redemption fee*	Up to 3.0%	Up to 3.0%	Up to 3.0%	Up to 3.0%	Up to 3.0%	Up to 3.0%

FEE	WHAT YOU PAY (AS A % OF NAV PER SHARE)					
<i>Share classes</i>	<i>HP dy AUD</i>	<i>HP dy HKD</i>	<i>P dy SGD</i>	<i>HP USD</i>	<i>HP dy USD</i>	<i>HP dy GBP</i>
Subscription fee*	Up to 5.0%	Up to 5.0%	Up to 5.0%	Up to 5.0%	Up to 5.0%	Up to 5.0%
Switching fee*	Up to 2.0%	Up to 2.0%	Up to 2.0%	Up to 2.0%	Up to 2.0%	Up to 2.0%
Redemption fee*	Up to 3.0%	Up to 3.0%	Up to 3.0%	Up to 3.0%	Up to 3.0%	Up to 3.0%

*a dilution levy for a maximum of 2% of the value of the NAV on the issue, redemption and/or conversion price may be charged in certain exceptional circumstances which are set out under the section entitled “Dilution Levy” in the Prospectus.

Ongoing fees payable by the sub fund

The following expenses will be paid out of the sub fund. They affect you because they reduce the return you get on your investments.

	ANNUAL RATE** (AS A % OF THE SHARE CLASS VALUE)					
<i>Share classes</i>	<i>P EUR</i>	<i>P dy GBP</i>	<i>P dy EUR</i>	<i>P dy USD</i>	<i>P dy EUR</i>	<i>P USD</i>
Management fee	1.6%	1.2%	1.6%	1.6%	1.6%	1.6%
Depositary Bank fee	0.03%	0.03%	0.03%	0.03%	0.03%	0.03%
Performance fee	NIL	NIL	NIL	NIL	NIL	NIL
Administration (service) fee	0.27%	0.27%	0.27%	0.27%	0.27%	0.27%

	ANNUAL RATE** (AS A % OF THE SHARE CLASS VALUE)					
<i>Share classes</i>	<i>HP dy AUD</i>	<i>HP dy HKD</i>	<i>P dy SGD</i>	<i>HP USD</i>	<i>HP dy USD</i>	<i>HP dy GBP</i>
Management fee	1.6%	1.6%	1.6%	1.6%	1.6%	1.6%
Depositary Bank fee	0.03%	0.03%	0.03%	0.03%	0.03%	0.03%
Performance fee	NIL	NIL	NIL	NIL	NIL	NIL
Administration (service) fee	0.32%	0.32%	0.27%	0.32%	0.32%	0.32%

**Per year of the average net assets attributable to this type of share and accrued on each NAV calculation date.

Please note that the relevant service provider may charge a lower level of fees than otherwise stated. For maximum fee level, please refer to Appendix B of the Information for Hong Kong Investors.

Please note that fees may be increased up to the maximum annual rate after giving at least one month's prior notice to investors.

Other fees

You may have to pay other fees when dealing in the shares of the sub fund.

ADDITIONAL INFORMATION

- › You generally buy and redeem shares at the sub fund's next-determined NAV after Bank Pictet & Cie (Asia) Ltd receives your request in good order on or before 5pm being the dealing cut-off time.
- › You should, before placing your subscription or redemption orders, check with your distributor for the distributor's internal dealing cut-off time which may be earlier than the sub fund's dealing cut-off time.
- › The NAV of this sub fund is calculated and published each "business day". They are available online at www.assetmanagement.pictet, at the office of the Hong Kong Representative (8/F & 9/F, Chater House, 8 Connaught Road Central, Hong Kong).
- › Investors may obtain the past performance information of other share classes offered to Hong Kong investors from the above-mentioned website.
- › You may also obtain information on the intermediaries from the above-mentioned website.
- › The composition of the dividends (i.e. relative amounts paid from net distributable income and capital) for the last 12 months will be provided on the above-mentioned website or from the Hong Kong Representative on request.
- › Please note that the above-mentioned website has not been reviewed by the Securities and Futures Commission ("SFC") and may contain information of funds not authorised by the SFC.

IMPORTANT

If you are in doubt, you should seek professional advice.

The SFC takes no responsibility for the contents of this statement and makes no representation as to its accuracy or completeness.