PRODUCT KEY FACTS STATEMENT

PICTET – EMERGING CORPORATE BONDS

As at 28 February 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 Ltd, United Kingdom (Internal delegation)	
Sub-Manager:	Pictet Asset Management (Singapore) Pte. Ltd, Singapore (Internal delegation)	
Depositary Bank:	Pictet & Cie (Europe) S.A.	
Ongoing Charges over a year#:	P USD	1.81%
	P dm USD	1.81%
Base Currency:	USD	
Financial year end of this fund:	30 September	
Dealing frequency:	Daily	

Dividend Policy		**Minimum investment**			
P USD	Dividends (if any) will be reinvested.	Initial:	N/A	Additional:	N/A
P dm USD	Dividends will be declared monthly on a discretionary basis, and if declared, dividends will be paid monthly. Dividends may be paid out of the capital and may immediately reduce the sub fund's NAV.	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's objective is to seek revenue and capital growth by investing primarily in a diversified portfolio of bonds and debt securities issued or guaranteed by private or public companies whose registered headquarters are located in, or that conduct the majority of their business in, an emerging country.

Emerging countries are defined as those considered, at the time of investing, as industrially developing countries by the International Monetary Fund, the World Bank, the International Finance Corporation (IFC) or one of the leading investment banks. These countries include (but are not limited to) Russia, China, Brazil, India and Philippines.

The choice of investments will not be limited to a particular geographic sector or sector of economic activity. 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.

The sub fund's investments may be denominated in any currencies.

The sub fund may invest in securities that are rated investment grade, below investment grade (as defined by at least one of the following three rating agencies: Fitch, Moody's and Standard & Poor's) as well as unrated securities of similar credit quality as determined by the Manager. However, the sub fund does not currently intend to invest more than 10% of its NAV in securities issued or guaranteed by a single country (including its government, a public or local authority of that country) with a credit rating below investment grade. The sub fund may invest up to 80% of its net assets in non-investment grade debt securities, including distressed and defaulted securities (up to 10%).

The sub fund does not intend to invest more than 10% of its NAV in off-shore Renminbi denominated bonds.

The sub fund may invest up to 30% of its net assets in 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), including up to 20% of its net assets in contingent convertible bonds.

The sub fund may also invest up to 20% 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 grand-ducal regulation dated 8 February 2008.

The sub fund may use financial derivative instruments (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. In any case, the sub fund may only invest up to 10% of its net assets in undertakings for collective investment in transferable securities (UCITS) and other undertakings for collective investment (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.

Interest Rate Risk

- The value of investments in bonds and other debt securities 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.

Credit Risk

- The sub fund mainly invests in bonds and debt securities in emerging markets. In the occurrence of a credit event (e.g. where the issuer of bonds or other debt securities experiences financial or economic difficulties, or where the credit rating of such issuer is downgraded), the value of the sub fund's investments may be adversely affected.

Risks associated with emerging markets

- The sub fund may have significant exposure to emerging markets (e.g. Russia, China, Brazil, India and the Philippines.) which are generally considered to present higher political and economic risks, fiscal and tax risks and capital repatriation restrictions 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 investments in below investment grade securities

- The sub fund may invest in below investment grade debt securities and unrated debt securities of similar credit quality.
- Such securities may have higher risks of default and may be subject to greater levels of interest rate risk, credit risk, price volatility and liquidity risk than higher-rated securities.

Downgrading Risk

- The sub fund may invest in debt securities which may be impacted by a downgraded credit rating. Such an event may decrease the value and liquidity of the security and adversely affect the sub fund's NAV.

Risks associated with investments in debt instruments with loss-absorption features

- Debt instruments with loss-absorption features are subject to greater risks when compared to traditional debt instruments as such instruments are typically subject to the risk of being written down or converted to ordinary shares upon the occurrence of pre-defined trigger events (e.g. when the issuer is near or at the point of non-viability or when the issuer's capital ratio falls to a specified level), which are likely to be outside of the issuer's control. Such trigger events are complex and difficult to predict and may result in a significant or total reduction in the value of such instruments.
- In the event of the activation of a trigger, there may be potential price contagion and volatility to the entire asset class. Debt instruments with loss-absorption features may also be exposed to liquidity, valuation and sector concentration risk.
- The sub fund may invest in contingent convertible debt securities, which are highly complex and are of high risk. Upon the occurrence of the trigger event, Contingent convertible debt securities may be converted into shares of the issuer (potentially at a discounted price), or may be subject to the permanent write-down to zero. Coupon payments on contingent convertible debt securities are discretionary and may be cancelled by the issuer at any point, for any reason, and for any length of time.
- The sub fund may invest in non-preferred senior debt instruments. While these instruments are generally senior to subordinated debts, they may be subject to write-down upon the occurrence of a trigger event and will no longer fall under the creditor ranking hierarchy of the issuer. This may result in total loss of principal invested.

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.
- Investments in emerging market currencies may also expose the sub fund to increased political risk (e.g. sudden changes in the political regime can 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.

Liquidity Risk

- Given that the sub fund primarily invests in bonds and debt securities, it may have difficulty in selling an asset at a favourable/expected sale price. The sub fund may end up selling at lower than expected prices or face difficulties in valuing illiquid securities and meeting redemption requests, especially when market conditions are unusual or when the markets for bonds and other debt securities are particularly thin. In adverse situations, the sub fund's NAV may fall and investors may suffer substantial losses.

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.

Concentration Risk

- The sub fund may be more susceptible to any single economic, political or regulatory event than a diversified fund, because a relatively higher percentage of the sub fund's assets may be invested in the securities of a limited number of issuers and/or geographic zones (emerging countries in this case).

Risk relating to Distribution share classes

- Dividends payable (if any) from 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?

- 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 USD share class increased or decreased in value during the calendar year being shown. Performance data has been calculated in USD 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: 26.11.2012
- P USD share class launch date: 26.11.2012
- Representative Share Class P USD: 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)	
Share classes	*P USD*	*P dm USD*
Subscription fee*	Up to 5.0%	Up to 5.0%
Switching fee*	Up to 2.0%	Up to 2.0%
Redemption fee*	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)	
Share classes	*P USD*	*P dm USD*
Management fee	1.5%	1.5%
Depositary Bank fee	0.06%	0.06%
Performance fee	NIL	NIL
Administration (service) fee	0.15%	0.15%

** 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) Limited 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 the price of units 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 past 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 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.