

PRODUCT KEY FACTS STATEMENT

PICTET – SECURITY

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#:	P EUR	2.00%			
	P USD	2.00%			
Base Currency:	USD				
Financial year end of this fund:	30 September				
Dealing frequency:	Daily				
Dividend Policy		Minimum investment			
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

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 seeks capital growth by investing primarily in shares or similar securities issued by companies that contribute to providing integrity, health and freedom, whether it be individual, corporate or political. The sub fund will invest at least two thirds of its total assets in equities issued by companies operating in this sector.

The sub fund targets companies that are active mainly (but not exclusively) in the areas of internet security, software, telecommunications and computer hardware security; physical safety and health protection; access and identification security, traffic security; and workplace security.

The sub fund will hold a diversified portfolio, generally composed of securities issued by listed companies. These securities may be ordinary or preference shares, convertible bonds and to a lesser extent warrants on transferable securities and options.

The sub fund may also invest in shares of companies that conduct activities in emerging or developing countries such as but not limited to Israel. 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.

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 for 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 also invest up to 33% of its assets 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 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 sub fund may use FDIs, such as convertible bonds, warrants, options or structured products primarily for efficient portfolio management and/or hedging purposes.

The investment process integrates environmental, social and governance (ESG) factors 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. When selecting investments, the sub fund adopts a tilted approach which seeks to increase the weight of securities with low sustainability risks and/or to decrease the weight of securities with high sustainability risks. The sub fund aims to have a better ESG profile than the reference index (i.e. MSCI AC World (USD)).

This strategy applies an exclusion policy relating to direct investment in companies and countries and 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. Please refer to Pictet's responsible investment policy at www.am.pictet/-/media/pam/pam-common-gallery/article-content/2021/pictet-asset-management/responsible-investment-policy.pdf for further information. This website has not been reviewed by the SFC.

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).

Sector Risk

- › The sub fund's investments are concentrated in companies that contribute to safeguarding the integrity, health and freedom of individuals, companies and governments. Quantifying the benefits of the companies' products is difficult. Changes in this appreciation will impact the companies' values and this could in turn adversely impact the sub fund's NAV.

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.

Risks associated with emerging markets

- › The sub fund may have exposure to emerging markets (e.g. Israel) 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** – 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.

- › **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 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 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 convertible bonds, warrants, options or structured products) 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.

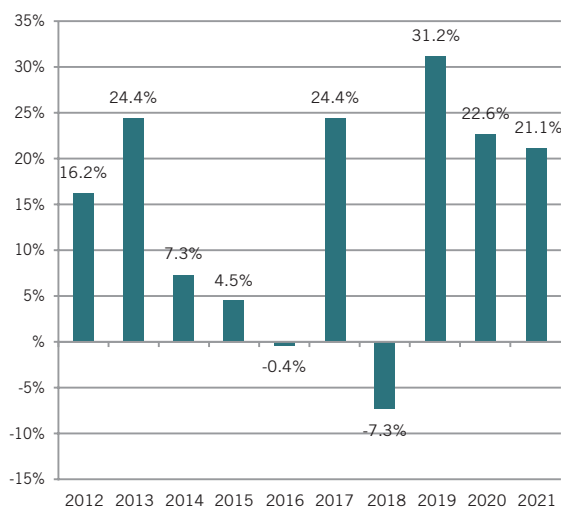
Risks associated with investment process integrating ESG factors and/or sustainability risks

- The sub fund's investment process integrates ESG factors and a tilted approach towards securities with low sustainability risks. As such, 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 above investment process or approach. In addition, assessment by the investment manager may be subjective in nature and it is thus possible that the relevant ESG or sustainability factors may not be applied correctly. This can lead to such sub fund tilting away from investment opportunities which meet its ESG and/or sustainability criteria or tilting towards securities which do not meet such criteria.
- Information and data from the security issuer and/or third-parties 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 ESG factors and/or sustainability risk of a potential investment.
- The sub fund applies an exclusion policy relating to direct investment in companies and countries and that are deemed incompatible with Pictet Asset Management's approach to responsible investment. 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.

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.
- Fund launch date: 31.10.2006
- P USD share class launch date: 31.10.2006
- 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)	
<i>Share classes</i>	<i>P EUR</i>	<i>P USD</i>
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)	
<i>Share classes</i>	<i>P EUR</i>	<i>P USD</i>
Management fee	1.6%	1.6%
Depositary Bank fee	0.03%	0.03%
Performance fee	NIL	NIL
Administration (service) fee	0.29%	0.29%

**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.
- 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.